January 14, 2020

Via e-mail at shareholderproposals@sec.gov

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by Pfizer Inc. to omit proposal submitted by The Sisters of St. Francis of Philadelphia and co-filers

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, The Sisters of St. Francis of Philadelphia and three co-filers (together, the “Proponents”) submitted a shareholder proposal (the "Proposal") to Pfizer Inc. (“Pfizer” or the “Company”). The Proposal asks Pfizer’s board to adopt a policy that the board’s chair, with certain exceptions, be an independent director.

In a letter to the Division dated December 19, 2019 (the "No-Action Request"), Pfizer stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the 2020 annual meeting of shareholders. Pfizer argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), urging that the Proposal deals with Pfizer’s ordinary business operations. Pfizer also contends that a sentence in the Proposal’s supporting statement is materially misleading to shareholders and thus excludable pursuant to Rule 14a-8(i)(3).

Because the Proposal addresses the core corporate governance matter of board leadership and is not overly prescriptive, Pfizer has not met its burden of proving its entitlement to exclude the Proposal in reliance on Rule 14a-8(i)(7), and the Proponents ask that its request for relief on that basis be denied. Although Pfizer’s CEO did not serve as board chair when the No-Action Request was submitted, he has now assumed that role, and accordingly the sentence to which
Pfizer objects is not misleading. Relief pursuant to Rule 14a-8(i)(3) is therefore unwarranted.

The Proposal

The Proposal states:

RESOLVED: The shareholders request the Board of Directors adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Ordinary Business

Rule 14a-8(i)(7) permits a company to omit a proposal that “deals with a matter relating to the company’s ordinary business operations.” Pfizer argues that it is entitled to exclude the Proposal on ordinary business grounds because it would micromanage the Company by “supplant[ing] the judgment of the Pfizer Board of Directors (the “Board”) as to how best to organize itself to optimally carry out its oversight function and fulfill its fiduciary duties.” Pfizer urges that “[t]hese are quintessential board judgments relating to its operations and performance.”

Pfizer concedes that the Staff has in the past declined to grant no-action relief to companies citing ordinary business to exclude independent chair proposals. To distinguish those determinations, Pfizer urges that the companies seeking relief did not “specifically address the prescriptive nature of the proposal.” That assertion is false.

In American International Group, Inc., which Pfizer cites on page 3 of the No-Action Request, the proposal asked that the company’s bylaws be amended to require that the board’s chairperson be an independent director, as defined in the proposal in considerable detail. AIG argued that the proposal could be excluded in

1 No-Action Request, at 3.
2 No-Action Request, at 4.
3 No-Action Request, at 3.
reliance on the ordinary business exclusion, squarely raising arguments regarding micromanagement and the importance of deference to the board’s judgment:

While the Company agrees that the issue of having independent directors on its board and on certain board committees reflects a significant corporate governance policy issue, the Company believes that the determination of what constitutes an appropriate standard of independence is a matter that is fundamental to the board’s ability to function effectively and to manage numerous day-to-day considerations that the board is in a more appropriate position to evaluate than shareholders as a group. As such, the nine-prong definition of independence contained in the Proposals is exactly the type of effort to “micro-manage” the Company with “intricate details” addressed by the SEC in the 1998 release.

The Staff declined to grant the relief AIG requested.

Pfizer also relies on a spurious hierarchy, unacknowledged by the Commission or Division, in which corporate governance proposals that “relat[e] to shareholder suffrage or other significant shareholders rights” enjoy a special status not shared by other governance proposals. Pfizer defines this privileged group as encompassing proposals addressing proxy access, board declassification, supermajority voting requirements and shareholder right to call a special meeting; significantly, proposals relating to board leadership or board/committee composition are not included. Pfizer cites two determinations as evidence that “corporate governance” proposals like the Proposal are excludable on ordinary business grounds, but both deal with the conduct of the annual meeting. The Proposal, which addresses the core governance concern of Pfizer’s board leadership structure, has nothing in common with proposals addressing the details of the annual meeting.

Pfizer attacks the Proposal’s supposed prescriptiveness, urging that “the Board’s ability to retain flexibility in organizing itself is a necessary element for its optimal operation.” The Proponents disagree with Pfizer’s assertion that micromanagement is implicated any time a proposal suggests a “specific action to be taken by the board,” like adopting an independent chair policy.

By definition, a shareholder proposal under Rule 14a-8 is a request that “the company and/or its board of directors take action,” and proponents are exhorted to “state as clearly as possible the course of action that [they] believe the company

5 See, e.g., American Outdoor Brands Corp. (available June 25, 2019); Comcast Corp. (available Feb. 28, 2018); HP, Inc. (available Dec. 28, 2016); EMC Corp. (available Mar. 7, 2002).
6 No-Action Request, at 5.
7 No-Action Request, at 4.
should follow.” Neither the Commission nor the Division requires that all proposals incorporate flexibility or discretion in order to avoid exclusion on ordinary business grounds. It is important to note that Pfizer’s board has the power to rescind an independent chair policy, even one incorporated into the bylaws, should it determine that doing so is necessary to carry out its fiduciary duties. Of course, under some circumstances, insufficient flexibility may provide a basis for excluding a proposal because it is beyond a company’s power to implement or would cause the company to violate a law or contract, but that is not the case here where the Proposal contains language to avoid such problems.

Governance proposals related to board and committee composition and board leadership much more detailed and specific than the Proposal have survived challenges making arguments like those Pfizer now advances. For example, in Marriott International Inc., the company urged that it was entitled to rely on the ordinary business exclusion to omit proposals asking the board to set a goal of having two-thirds of directors be independent and to transition to a fully independent nominating and governance committee, in each case using a seven-prong independence definition set forth in the proposal. The Staff did not concur with Marriott’s argument that the proposals would micromanage Marriott because the independence definition was “an operational issue that affects the ability of a board to function.” Unlike the Marriott proposal, the Proposal gives Pfizer’s board discretion to define independence.

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8 Rule 14a-8(a).
9 Pfizer’s board has the power unilaterally to amend the Company’s bylaws. See Pfizer Inc. Bylaws, as amended Dec. 18, 2017, Article VI, section 5 (available at https://www.sec.gov/Archives/edgar/data/78003/000007800317000057/exh31_bylaws20171.htm).
10 See, e.g., The Boeing Company (available Feb. 22, 1999) (allowing exclusion of proposal requiring that key committees be made up only of “independent committed directors” as beyond the company’s power to implement because “it does not appear to be within the board’s power to ensure the election of individuals as director who meet the specified criteria.”).
11 Marriott International Inc. (available Mar. 19, 2002).
12 See also Duke Realty Group (available Feb. 5, 2002) (declining to concur that definition of independence in a proposal seeking a two-thirds independent board would micromanage Duke); Commerce Bancorp (available Mar. 15, 2002) (not allowing exclusion on ordinary business grounds of proposal urging transition to fully independent compensation committee despite the company’s argument that the independence definition would micromanage the company); Murphy Oil Corporation (available Mar. 10, 2002) (declining to concur that definition of independence in a proposal asking for an independent executive compensation and nominating committee would micromanage the company); The Walt Disney Company (available Nov. 24, 2004) (company unsuccessfully argued that steps needed to adopt policy requiring an independent board chair constitutes “the allocation of corporate offices and responsibilities among the Company’s employees” and thus relate to the company’s ordinary business operations).
As well, the Proposal’s request is less prescriptive than many other governance proposals the Staff has declined to exclude on ordinary business grounds. For example, proposals seeking a proxy access mechanism generally prescribe key terms of the proposed right. The proposal in iRobot Corp.,\textsuperscript{13} which Pfizer cites,\textsuperscript{14} specified:

- the ownership threshold and duration to be eligible to use the access right
- the number of shareholders who may aggregate their holdings to meet that threshold
- the number of shareholder-nominated directors who may appear in the proxy materials for a given shareholder meeting
- the methodology for dividing that number when there are competing nominating shareholders or groups
- the length of the supporting statement that may be included in support of a shareholder-nominated director, and
- required disclosure to shareholders regarding the proxy access mechanism.

Underlying the micromanagement doctrine is the Commission’s belief that “matters of a complex nature upon which shareholders, as a group, [are] not in . . . a position to make an informed judgment” should not be the subject of shareholder oversight.\textsuperscript{15} Appropriate board leadership structure is not such a matter. As Pfizer notes, the Commission has mandated disclosure in the proxy statement regarding board leadership, and shareholders use that disclosure to make an informed judgment in voting on directors. The Commission’s statement that different leadership structures may be suitable for different companies does not compel a conclusion that shareholders should be prohibited from weighing in on the structure they prefer at a particular company like Pfizer.

Boards of directors are charged with representing the interests of shareholders and the leadership of the board is thus a core corporate governance issue on which shareholders should be able to express a view. The Proposal is not overly prescriptive and thus cannot be said to micromanage Pfizer. Indeed, the Proposal is far less detailed and specific than board-related proposals the Staff has declined to allow companies to exclude on ordinary business grounds. Accordingly, Pfizer has not met its burden of showing that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(7).

\textbf{False or Misleading Statement}

\textsuperscript{13} iRobot Corp. (available Mar. 26, 2013).
\textsuperscript{14} See No-Action Request, at 3.
Rule 14a-8(i)(3) allows exclusion of a proposal or portion thereof that violates any of the Commission’s proxy rules, including Rule 14a-9. That rule prohibits materially false or misleading statements. Pfizer argues that the following sentence from the supporting statement is materially misleading to shareholders: “According to ISS ‘2017 Board Practices’ (March 2017), 58% of S&P 1,500 firms separate these two positions and the number of companies separating these roles is growing.” Pfizer urges that the sentence misleads by “suggesting that Pfizer’s board leadership structure is in the minority of S&P 1500 companies rather than being squarely in the majority.”

When Pfizer submitted the No-Action Request, its CEO did not also serve as its chair; instead, its former CEO, Ian Read, was Executive Chairman. As of January 1, 2020, however, CEO Albert Bourla assumed the Chairman post. Accordingly, the statistic about which Pfizer complains is directly relevant to Pfizer’s current board leadership structure and therefore not misleading.

* * *

For the reasons set forth above, the Proponents respectfully ask that Pfizer’s request for relief pursuant to Rule 14a-8(i)(7) and (i)(3) be denied.

The Proponents appreciate the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (610) 558-7764.

Sincerely,

Tom McCaney
Associate Director
Corporate Social Responsibility

cc: Margaret M. Madden
Senior Vice President and Corporate Secretary
Chief Governance Counsel
Margaret.m.madden@pfizer.com
Patricia Carr Seabrook  
Shareholder Advocacy Coordinator  
Miller/Howard Investments, Inc.

Donna Meyer  
Common Spirit Health  

Michiel van Esch  
Robeco
RESOLVED: The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement:

We believe:
- The role of the CEO and management is to run the company.
- The role of the Board of Directors is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to have a past CEO an inside director act as Chair.

Pfizer’s Ian Read served in the past as both as CEO and Chair of the Company’s Board of Directors and became Executive Chair of the Board when Dr. Bourla became our new CEO on January 1. However, in September 2019 the company announced Mr. Read would retire from that post and CEO Albert Bourla will become Board Chair as well combining the roles once again. We believe Pfizer should create a stronger governance structure moving forward.

As Andrew Grove, Intel’s former chair, stated, “The separation of the two jobs goes to the heart of the conception of a corporation. Is a company a sandbox for the CEO, or is the CEO an employee? If he’s an employee, he needs a boss, and that boss is the Board. The Chairman runs the Board. How can the CEO be his own boss?”

In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. The primary duty of a Board of Directors is to oversee the management of a company on behalf of shareholders. A CEO serving as Chair can result in excessive management influence on the Board and weaker oversight of management. We urge Pfizer’s Board to take the opportunity to appoint a new independent Board Chair in the next round of succession.

Numerous institutional investors recommend independence for these two roles. For example, California’s Retirement System CalPERS’ Principles & Guidelines encourage separation, even with a lead director in place. In addition investor interest in this governance practice is growing.

According to ISS “2017 Board Practices”, (March 2017), 58% of S&P 1,500 firms separate these two positions and the number of companies separating these roles is growing.

This resolution to Pfizer received a 27% vote last year.

To simplify the transition, this policy would be phased in and implemented when the next CEO is chosen.
BY EMAIL (shareholderproposals@sec.gov)

December 19, 2019

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

RE: Pfizer Inc. – 2020 Annual Meeting
Omission of Shareholder Proposal of
The Sisters of St. Francis of Philadelphia and co-filers

Ladies and Gentlemen:

We are writing pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended, to request that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) concur with our view that, for the reasons stated below, Pfizer Inc., a Delaware corporation (“Pfizer”), may exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by The Sisters of St. Francis of Philadelphia and co-filers from the proxy materials to be distributed by Pfizer in connection with its 2020 annual meeting of shareholders (the “2020 proxy materials”). The Sisters of St. Francis of Philadelphia and the co-filers are sometimes referred to collectively as the “Proponents.”

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponents as notice of Pfizer’s intent to omit the Proposal from the 2020 proxy materials.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponents that if they submit correspondence to the Commission or the Staff

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1 The following shareholders have co-filed the Proposal: Common Spirit Health (f/k/a Dignity Health), Robeco and Keith Thompson.
with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the undersigned.

I. The Proposal

The text of the resolution in the Proposal is set forth below:

**RESOLVED:** The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

II. Bases for Exclusion

We hereby respectfully request that the Staff concur in our view that Pfizer may exclude the Proposal from the 2020 proxy materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to Pfizer’s ordinary business operations.

Alternatively, if the Staff does not concur that the Proposal may be excluded under Rule 14a-8(i)(7), we request that the Staff concur in our view that the statement identified below may be excluded from the Proposal’s supporting statement pursuant to Rule 14a-8(i)(3) because the statement is materially false and misleading.

III. Background

On October 24, 2019, Pfizer received the Proposal, accompanied by a cover letter from The Sisters of St. Francis of Philadelphia dated October 23, 2019, and a letter from Northern Trust, dated October 23, 2019, verifying The Sisters of St. Francis of Philadelphia’s stock ownership (the “Broker Letter”). Copies of the Proposal, cover letter, Broker Letter and related correspondence are attached hereto as Exhibit A. In addition, the co-filers’ submissions are attached hereto as Exhibit B.

IV. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to Pfizer’s Ordinary Business Operations.

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company’s proxy materials if the proposal “deals with matters relating to the company’s ordinary business operations.” In Exchange Act Release No. 34-40018 (May 21, 1998) (the “1998 Release”), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes that certain tasks are so fundamental
to management’s ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. The second consideration relates to the degree to which the proposal seeks to “micro-manage” the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

A. The Proposal seeks to micromanage Pfizer by unduly limiting the Board of Directors’ ability to organize itself.

The Proposal seeks to supplant the judgment of the Pfizer Board of Directors (the “Board”) as to how best to organize itself to optimally carry out its oversight function and fulfill its fiduciary duties. We are aware that in the past the Staff has declined to permit exclusion under Rule 14a-8(i)(7) of proposals similar to the Proposal. See, e.g., Clear Channel Communications, Inc. (Mar. 5, 2003); The Gap, Inc. (Mar. 18, 2002). While some of these no-action requests briefly argued that the proposals micromanaged the companies, they did not specifically address the prescriptive nature of the proposal. See, e.g., American Int’l Group (Mar. 17, 2005). We also are aware that, in certain instances, the Staff has declined to permit exclusion under Rule 14a-8(i)(7) of proposals relating to corporate governance matters. Those proposals can be distinguished, however, because they involved corporate governance matters relating to shareholder suffrage or other significant shareholder rights.

For example, the Staff has declined to permit exclusion under Rule 14a-8(i)(7) of proposals relating to proxy access. See, e.g., iRobot Corp. (Mar. 26, 2013) (declining to permit exclusion under Rule 14a-8(i)(7) of a proposal requesting the board amend the company’s governing documents to provide shareholders the right to make board nominations and have them appear in the company’s proxy materials, noting that the proposal “focuses primarily on corporate governance and shareholder suffrage issues, and not ordinary business”). Similarly, the Staff has declined to permit exclusion under Rule 14a-8(i)(7) of proposals seeking to declassify a company’s board of directors so that shareholders could vote on all directors every year, seeking to provide shareholders with the right to call special meetings and seeking to provide shareholders with the power to act by majority, rather than supermajority, votes. See, e.g., Netflix, Inc. (Feb. 29, 2016); Becton, Dickinson & Co. (Nov. 25, 2008); Netflix, Inc. (Feb. 26, 2016).

Nevertheless, the mere fact that a proposal falls under the broad umbrella of corporate governance does not preclude exclusion under Rule 14a-8(i)(7). In this regard, the Staff has permitted exclusion under Rule 14a-8(i)(7) in instances where a corporate governance-related proposal does not relate to shareholder suffrage or similar significant shareholder rights. For example, the Staff has permitted exclusion under Rule 14a-8(i)(7) of proposals relating to the conduct of a company’s annual meeting. See, e.g., Comcast Corp. (Feb. 28, 2018) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board adopt a corporate governance policy affirming the continuation of in-person annual meetings in addition to virtual meetings, noting that the proposal related to the determination of whether to hold annual meetings in person); Servotronics, Inc. (Feb. 19, 2015) (permitting
exclusion under Rule 14a-8(i)(7) of a proposal requesting a question-and-answer period to be included in conjunction with the company’s annual shareholder meetings, noting that “[p]roposals concerning the conduct of shareholder meetings generally are excludable under Rule 14a-8(i)(7”).

Unlike those proposals that could not be excluded as ordinary business, the specific Proposal here does not relate to shareholder suffrage or a significant shareholder right, such as the ability to call a special meeting of shareholders or act by a majority vote. Rather, the Proposal relates to the Board’s choice as to how to best organize itself as a body, its decision as to how to effectively carry out its duties and its determination of who is best qualified to serve in a particular board function or role. These are quintessential board judgments relating to its operations and performance, and thus distinct from the type of corporate governance-related proposals where the Staff has declined to permit exclusion under Rule 14a-8(i)(7).

Moreover, the Staff has consistently agreed that shareholder proposals attempting to micromanage a company by probing too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment are excludable under Rule 14a-8(i)(7). See the 1998 Release; see also Abbott Laboratories (Feb. 28, 2019) (permitting exclusion on the basis of micromanagement of a proposal that requested the adoption of a policy requiring compensation committee approval of certain sales of shares by senior executives); Walgreens Boots Alliance, Inc. (Nov. 20, 2018) (permitting exclusion on the basis of micromanagement of a proposal that requested open market share repurchase programs or stock buybacks subsequently adopted by the board not become effective until approved by shareholders). In Staff Legal Bulletin No. 14J (Oct. 23, 2018), the Staff reminded companies and proponents that in assessing whether a proposal micromanages, the Staff looks to the manner in which a proposal addresses an issue and not whether a proposal’s subject matter itself is proper for a shareholder proposal under Rule 14a-8.

Recently, in Staff Legal Bulletin No. 14K (Oct. 16, 2019), the Staff stated that micromanagement depends on the level of prescriptiveness of a proposal. When a proposal prescribes specific actions that the company’s management or the board must undertake without affording them sufficient flexibility or discretion, the proposal may micromanage the company to such a degree that exclusion of the proposal would be warranted.

In this case, the Proposal imposes a specific action – mandating that Pfizer’s Board cannot select certain persons to serve as Board chair – thereby supplanting the judgment of the Board. Decisions concerning the Board’s leadership structure require a level of board judgment and flexibility that the Proposal would eliminate. Indeed, in adopting amendments to Item 407 of Regulation S-K to require disclosure of a company’s board leadership structure and an explanation of why the company believes it is the most appropriate structure at the time of disclosure, the Commission itself observed that “different leadership structures may be suitable for different companies depending on factors such as the size of a company, the nature of a company’s business, or internal control considerations, among other things.” See Proxy Disclosure Enhancements, SEC Release No. 33-9089 (Dec. 16, 2009). Moreover,
as described on page 15 of Pfizer’s definitive proxy statement for the 2019 annual meeting of shareholders (the “2019 Proxy Statement”), the Board is uniquely situated to assess these structures as:

The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure to ensure both independent oversight of senior management and a highly engaged and high-functioning Board. . . . Given the dynamic and competitive environment in which we operate, the Board believes that the right leadership structure may vary as circumstances warrant. Under our By-laws and Corporate Governance Principles, the Board can and will change its leadership structure if it determines that doing so is appropriate and in the best interest of Pfizer and its shareholders at any given time. Consistent with this understanding, the independent Directors do not view any particular board leadership structure as preferred and consider the Board’s leadership structure on at least an annual basis. This consideration includes the evaluation of alternative leadership structures in light of the company’s current operating and governance environment, a review of peer company leadership structures, and investor feedback, with the goal of achieving the optimal model for Board leadership and effective oversight of senior leaders by the Board.2

As is clearly evident by the statement above, the Board’s ability to retain flexibility in organizing itself is a necessary element for its optimal operation. In light of this, the Board’s Corporate Governance Principles provide that the Corporate Governance Committee annually will review the Board’s leadership structure.3 In fact, the Board has routinely exercised this flexibility. Over the past decade, Pfizer’s Board, at various points, has chosen to have a Non-Executive Chairman (i.e., an independent chair), an Executive Chairman (who was not the CEO) and a combined Chairman/CEO. This decade-long track record of Board judgments concerning the optimal Board leadership structure based on the facts and circumstances exemplifies the need for flexibility and nuanced judgments so that the Board can organize itself and its structure in the way that it believes is optimal for Pfizer and its investors.

However, this specific Proposal, if adopted, would foreclose the Board’s ability to exercise such flexibility. By preventing the Board from being able to select certain directors to serve as Board chair, the Proposal would supplant the Board’s nuanced judgment with a rigid mandate. As a result, the Proposal would unduly limit the ability of the Board to manage complex matters with a level of flexibility necessary to fulfill its fiduciary duties to

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shareholders. Therefore, the Proposal seeks to micromanage Pfizer and, thus, is precisely the type of request Rule 14a-8(i)(7) is intended to prevent.

Accordingly, for the reasons discussed above, the Proposal is excludable pursuant to Rule 14a-8(i)(7) as relating to Pfizer’s ordinary business operations.

V. The Statement Identified Below May be Excluded From the Proposal’s Supporting Statement Pursuant to Rule 14a-8(i)(3) Because the Statement is Materially False and Misleading in Violation of Rule 14a-9.

Rule 14a-8(i)(3) permits companies to exclude a proposal or a statement that is contrary to any of the proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements. See Staff Legal Bulletin No. 14B (Sept. 15, 2004) (“SLB 14B”). Specifically, Rule 14a-9(a) prohibits any statement that is “false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading.” See, e.g., Ferro Corp. (Mar. 17, 2015) (permitting exclusion under Rule 14a-8(i)(3) of a proposal mischaracterizing certain facets of Ohio and Delaware corporate law, noting that the company had “demonstrated objectively that certain factual statements in the supporting statement are materially false and misleading”). In SLB 14B, the Staff acknowledged that companies have relied on Rule 14a-8(i)(3) to exclude statements included in a supporting statement, even if the balance of the proposal and the supporting statement may not be excluded, and indicated that “reliance on [R]ule 14a-8(i)(3) to exclude or modify a statement may be appropriate where . . . the company demonstrates objectively that a factual statement is materially false or misleading.”

Consistent with SLB 14B, the Staff has permitted companies to exclude one or more statements from a proposal’s supporting statement under Rule 14a-8(i)(3) where those statements were materially false or misleading. See, e.g., Rite Aid Corp. (Mar. 13, 2015) (permitting exclusion under Rule 14a-8(i)(3) of a sentence included in the supporting statement falsely claiming, among other things, that the SEC supported the proposal); Bob Evans Farms, Inc. (June 26, 2006) (permitting exclusion under Rule 14a-8(i)(3) of a paragraph included in the supporting statement falsely claiming that the proposal had received “tremendous shareholder support”); Piper Jaffray Cos. (Feb. 24, 2006) (permitting exclusion under Rule 14a-8(i)(3) of a paragraph included in the supporting statement falsely claiming that management had demonstrated a disregard for shareholders’ interests).

In this instance, the supporting statement includes the following materially false and misleading statement: “According to ISS ‘2017 Board Practices’, (March 2017), 58% of S&P 1,500 firms separate these two positions and the number of companies separating these roles is growing.” The Proposal, however, disregards and omits the far more relevant statistic that appears two sentences earlier in the ISS study than the statistic cited in the Proposal, namely
that “boards at 33 percent of S&P 1500 companies are led by an independent chair.”

Given that the Proposal seeks to require an independent chair rather than the separation of the chair and CEO roles, this omission is materially misleading. By omitting the fact that only one-third of S&P 1500 companies feature an independent chair, the Proposal blatantly misleads shareholders by suggesting that Pfizer’s board leadership structure is in the minority of S&P 1500 companies rather than being squarely in the majority. The false impression conveyed by this portion of the supporting statement could materially impact shareholders’ voting decisions and materially and falsely impacts the total mix of information presented to shareholders on this matter. This discrepancy is not a function of dueling studies or conflicting reports; this is the Proponents’ picking of a less relevant statistic from a study while disregarding the more relevant, but less helpful to their narrative, statistic two sentences earlier on the same page of the study the Proponents chose to cite.

Given the misleading statement included in the supporting statement, as well as the significant impact that this statement could have on shareholder voting decisions, the sentence identified above is materially false and misleading. Accordingly, in the event that the Proposal cannot be omitted in its entirety because the Proposal deals with matters relating to Pfizer’s ordinary business, then consistent with SLB 14B and the precedent described above, Pfizer should be able to exclude the sentence from the Proposal to be included in the 2020 proxy materials.

VI. Conclusion

Based upon the foregoing analysis, we respectfully request that the Staff concur that it will take no action if Pfizer excludes the Proposal from its 2020 proxy materials.

Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of Pfizer’s position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff’s response. Please do not hesitate to contact me at (212) 733-3451 or Marc S. Gerber of Skadden, Arps, Slate, Meagher & Flom LLP at (202) 371-7233.

Very truly yours,

Margaret M. Madden

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4 ISS, “U.S. Board Practices Study” (Mar. 17, 2017). An excerpt of the relevant portion of the ISS Report is attached hereto as Exhibit C.
Enclosures

cc: Tom McCaney
    Associate Director, Corporate Social Responsibility
    The Sisters of St. Francis of Philadelphia

    Patricia Karr Seabrook
    Shareholder Advocacy Coordinator
    Miller/Howard Investments, Inc.

    Donna Meyer
    Common Spirit Health

    Michiel van Esch
    Robeco
EXHIBIT A

(see attached)
October 23, 2019

Margaret M. Madden  
Corporate Secretary  
Pfizer, Inc.  
235 E. 42nd Street  
New York, NY 10017-5703

Dear Ms. Madden:

Peace and all good! The Sisters of St. Francis of Philadelphia have been shareholders in Pfizer for many years. As responsible shareholders, we believe good corporate governance includes a Chair of the Board that is an independent member of the Board. With the retirement of Ian Read as Chairman of the Board, we were disappointed to learn that CEO Albert Bourla had been named to replace him as Chair. Once again, Pfizer has chosen to combine these roles, thus allowing Dr. Bourla to report to himself.

The Sisters of St. Francis of Philadelphia are therefore submitting the enclosed shareholder proposal regarding the separation of Chair of the Board and CEO. I submit it for inclusion in the proxy statement for consideration and action by the stockholders at the 2020 annual meeting in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. A representative of the shareholders will attend the annual meeting to move the resolution as required by SEC rules. Please note that the contact person for this resolution/proposal will be: Tom McCaney, Associate Director, Corporate Social Responsibility. Contact information: 610-716-2766 or tmccaney@osphila.org.

As verification that we are beneficial owners of common stock in Pfizer, I enclose a letter from Northern Trust Company, our portfolio custodian/Record holder, attesting to the fact. It is our intention to keep these shares in our portfolio at least until after the annual meeting.

Respectfully Yours,

Tom McCaney  
Associate Director, Corporate Social Responsibility

Enclosures
RESOLVED: The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement:

We believe:
- The role of the CEO and management is to run the company.
- The role of the Board of Directors is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to have a past CEO and inside director act as Chair.

Pfizer’s Ian Read served in the past as both as CEO and Chair of the Company’s Board of Directors and became Executive Chair of the Board when Dr. Bourla became our new CEO on January 1. However, in September 2019 the company announced Mr. Read would retire from that post and CEO Albert Bourla will become Board Chair as well combining the roles once again. We believe Pfizer should create a stronger governance structure moving forward.

As Andrew Grove, Intel’s former chair, stated, “The separation of the two jobs goes to the heart of the conception of a corporation. Is a company a sandbox for the CEO, or is the CEO an employee? If he’s an employee, he needs a boss, and that boss is the Board. The Chairman runs the Board. How can the CEO be his own boss?”

In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. The primary duty of a Board of Directors is to oversee the management of a company on behalf of shareholders. A CEO serving as Chair can result in excessive management influence on the Board and weaker oversight of management. We urge Pfizer’s Board to take the opportunity to appoint a new independent Board Chair in the next round of succession.

Numerous institutional investors recommend independence for these two roles. For example, California’s Retirement System CalPERS’ Principles & Guidelines encourage separation, even with a lead director in place. In addition investor interest in this governance practice is growing.

According to ISS ‘2017 Board Practices’, (March 2017), 58% of S&P 1,500 firms separate these two positions and the number of companies separating these roles is growing.

This resolution to Pfizer received a 27% vote last year.

To simplify the transition, this policy would be phased in and implemented when the next CEO is chosen.
October 23, 2019

To Whom It May Concern:

This letter will confirm that the Sisters of St. Francis of Philadelphia hold 75 shares of Pfizer Inc. Common Stock (CUSIP: 717081103). These shares have been held continuously, for at least a one-year period preceding and including October 23rd, 2019 and will continue to be at the time of your next shareholders meeting.

The Northern Trust Company serves as custodian/record holder for the Sisters of St. Francis of Philadelphia. The above mentioned shares are registered in the nominee name of the Northern Trust Company.

This letter will further verify that Sister Nora M. Nash and/or Thomas McCaney are representatives of the Sisters of St. Francis of Philadelphia and are authorized to act on their behalf.

Sincerely,

Lisa M. Martinez-Shaffer
Second Vice President
EXHIBIT B

(see attached)
November 5, 2019

Margaret M. Madden
Corporate Secretary
Pfizer, Inc.
235 E. 42nd Street
New York, NY 10017-5703

Re: Miller/Howard Investments Shareholder Resolution for Pfizer, Inc. entitled
Independent Chair & CEO

Dear Ms. Madden:

On behalf of Keith Thompson and Miller/Howard Investments, Inc., we write to give notice that pursuant to the 2019 proxy statement of Pfizer, Inc. (PFE), and Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934, Miller/Howard Investments, Inc. intends to file the attached proposal at the 2020 annual meeting of shareholders. Keith Thompson is the beneficial owners of more than $2,000 in market value of PFE stock, has continuously held these shares for over one year, and has authorized Miller/Howard Investments, Inc. to file this proposal on his behalf. In addition, Mr. Thompson intends to hold the shares through the date on which the annual meeting is held. Verification of stock ownership and authorization from Keith Thompson for Miller/Howard Investments, Inc. to file the proposal will be submitted under separate cover.

Miller/Howard Investments, Inc. (“Miller/Howard”) is an employee owned, research driven investment boutique with over twenty-five years of experience managing portfolios for major institutions, mutual funds, and individuals in dividend-focused investment strategies. In addition to financial analysis, we perform rigorous research seeking high-quality companies that are contributing to the economy in meaningful ways and have demonstrated a strong commitment to good governance, the environment, and social responsibility. We are long-term investors in PFE.

Enclosed is Miller/Howard’s shareholder proposal regarding Independent Chair & CEO which requests the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board.
The Sisters of St. Francis of Philadelphia have agreed to serve as lead filer of this proposal, and we authorize the lead filer to withdraw on our behalf if an agreement is reached. We are submitting this proposal as co-filers because we strongly believe it is in the best interests of the company and its shareholders. We respectfully request direct communications from Pfizer, Inc. and to have our supporting statement and organization name included in the proxy statement.

Sincerely,

Patricia Karr Seabrook
Shareholder Advocacy Coordinator
Miller/Howard Investments, Inc.
esg@mhinvest.com

Enclosure

cc:  Sisters of St. Francis of Philadelphia: Tom McCaney, Associate Director, Corporate Social Responsibility: tmccaney@osfphila.org
     Miller/Howard Investments, Inc.: Nicole Lee, Lead ESG Analyst: nicole@mhinvest.com
Pfizer – Independent Chair & CEO

RESOLVED: The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement:

We believe:
- The role of the CEO and management is to run the company.
- The role of the Board of Directors is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to have a past CEO an inside director act as Chair.

Pfizer’s Ian Read served in the past as both as CEO and Chair of the Company’s Board of Directors and became Executive Chair of the Board when Dr. Bourla became our new CEO on January 1. However, in September 2019 the company announced Mr. Read would retire from that post and CEO Albert Bourla will become Board Chair as well combining the roles once again. We believe Pfizer should create a stronger governance structure moving forward.

As Andrew Grove, Intel’s former chair, stated, “The separation of the two jobs goes to the heart of the conception of a corporation. Is a company a sandbox for the CEO, or is the CEO an employee? If he’s an employee, he needs a boss, and that boss is the Board. The Chairman runs the Board. How can the CEO be his own boss?”

In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. The primary duty of a Board of Directors is to oversee the management of a company on behalf of shareholders. A CEO serving as Chair can result in excessive management influence on the Board and weaker oversight of management. We urge Pfizer’s Board to take the opportunity to appoint a new independent Board Chair in the next round of succession.

Numerous institutional investors recommend independence for these two roles. For example, California’s Retirement System CalPERS’ Principles & Guidelines encourage separation, even with a lead director in place. In addition investor interest in this governance practice is growing.

According to ISS “2017 Board Practices”, (March 2017), 58% of S&P 1,500 firms separate these two positions and the number of companies separating these roles is growing.

This resolution to Pfizer received a 27% vote last year.

To simplify the transition, this policy would be phased in and implemented when the next CEO is chosen.
November 12, 2019

Margaret M. Madden  
Senior Vice President and Corporate Secretary, Chief Governance Counsel  
Pfizer, Inc.  
235 East 42nd Street  
New York, NY 10017-5755  

Dear Ms. Madden:

Dignity Health, now known as CommonSpirit Health, has long been concerned not only with the financial returns of its investments, but also with their social and ethical implications. We believe that a demonstrated corporate responsibility in matters of the environment, and social and governance concerns fosters long-term business success. Dignity Health is currently the beneficial owner of shares of Pfizer, Inc.

The included resolution requests the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

Dignity Health is co-filing the enclosed shareholder proposal with the lead filer, the Sisters of St. Francis of Philadelphia, for inclusion in the 2020 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Dignity Health has been a shareholder continuously for more than one year holding at least $2,000 in market value, and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders’ meeting. A representative of the filers will attend the Annual Meeting to move the resolution as required by SEC rules. The verification of ownership by our custodian, a DTC participant, will be sent under separate cover. The Sisters of St. Francis may withdraw the proposal on our behalf. We respectfully request direct communications from Pfizer, and to have our supporting statement and organization name, CommonSpirit Health, included in the proxy statement.

We look forward to having productive conversations with the company. Please direct all future correspondence, including an email acknowledgement of receipt of this letter and resolution, to Donna Meyer, working on behalf of Dignity Health at email: dmeyer@mercyinvestments.org, phone: 713-299-5018, address: 2039 No. Geyer Rd., St. Louis, MO 63131.

Best regards,

Sr. Mary Ellen Leciejewski, OP  
Vice President, Corporate Responsibility  
Dignity Health
Pfizer – Independent Chair & CEO

RESOLVED: The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement:

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In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. The primary duty of a Board of Directors is to oversee the management of a company on behalf of shareholders. A CEO serving as Chair can result in excessive management influence on the Board and weaker oversight of management. We urge Pfizer's Board to take the opportunity to appoint a new independent Board Chair in the next round of succession.

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This resolution to Pfizer received a 27% vote last year.

To simplify the transition, this policy would be phased in and implemented when the next CEO is chosen.
12th November 2019

Dear Ms. Madden,

Robeco is a global asset manager, based in Rotterdam (The Netherlands) with 199 EUR billion assets under management. We view sustainability as a long-term driver of change in markets, countries and companies which impacts future performance. Based on this belief, sustainability is considered as one of the value drivers in our investment process, similar to the way we look at other drivers such as company financials or market momentum. From an investment perspective, we believe considering material Environmental, Social and Governance (ESG) factors strengthens our investment process and ultimately leads to a better-informed investment decision. Robeco has been a long term beneficial owner of shares of Pfizer, Inc..

As a shareholder, we support corporate governance best practices that favor a Chair of the Board that is an independent non-executive director. We believe board leadership calls for clarity and balance in board and executive roles, therefore there should be a clear division of responsibilities between the role of the Chair of the board and executive management. Given that the Board of Directors of Pfizer recently appointed Dr. Albert Bourla as Chairman of the Board whilst the candidate will be retaining his CEO role, we believe that Pfizer could improve its corporate governance practices by separating these roles. Our position regarding this topic should not be interpreted as a hesitation regarding Mr. Bourla’s suitability as a CEO. Instead we are concerned that one person is both responsible for executing the company’s strategy and overseeing the execution at the same time.

Robeco is filing the enclosed shareholder proposal on independent Chair and CEO for inclusion in the 2020 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Robeco has been a shareholder continuously for more than one year holding at least $2000 in market value and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders’ meeting. A representative of the filers will attend the Annual General Meeting to move the resolution as required by SEC rules. The verification of ownership has been attached to this letter. The Sisters of St. Francis Philadelphia is serving as the lead filer on this proposal.

We are filing this proposal today, because of the impending deadline for proposals. We are open to discussing Pfizer’s corporate governance and alternative routes to enhancing independent chairmanship on the board. We commend the company for its openness in the past to dialogue with many of its investors and we look forward to having further productive conversations with the company in the coming months.
If you have any questions, please do not hesitate to contact my colleague Michiel van Esch at m.van.esch@robeco.nl

Yours faithfully,

Carola van Lamoen
Head of Active Ownership, Robeco
Weena 850, 3014 DA Rotterdam, The Netherlands
RESOLVED: The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy would be phased in for the next CEO transition.

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EXHIBIT C

(see attached)