

The Pension Plan and Supplemental Pension Plan Summary

The Pension Plan is a funded, tax-qualified, non-contributory defined benefit pension plan that covers certain employees, including several of the NEOs. The following table summarizes the pension plan terms, including the legacy plan benefits for our NEOs.

Pfizer's Pension Plan⁽¹⁾

Name	Time Frame	Plans	Pension Earnings	Formula	Form of Payment
All NEOs (excluding J. Young)	Current	Pension Plan/ Supplemental Pension Plan	Highest five-calendar year average of salary and bonus ⁽²⁾ earned for the year Earnings up to the tax limit are included under the Pension Plan; benefits on excess earnings are accrued under the Supplemental Pension Plan	Pfizer formula: Greater of (1.4% of Pension Earnings) x years of service; or (1.75% of Pension Earnings - 1.5% primary social security benefit) x years of service ⁽¹⁾ (capped at 35)	Annuity or Lump sum (if retirement eligible)

Legacy Plans

Name	Time Frame	Plans	Pension Earnings	Formula	Form of Payment
M. Dolsten and G. Germano	Pension benefits earned prior to January 2012	Pension Plan/Wyeth Sub-Plan/ Supplemental Plans	Highest five-year average salary of the last 10 years and bonus paid during the year	(2% of Pension Earnings - 1/60th of annual primary social security benefit) x years of service (capped at 30)	Annuity or Lump sum
J. Young	Pension benefits earned prior to August 2012	U.K. Pension Plan/ U.K. Supplemental Plan	Basic salary	After 2010: 1.75% of Pension Earnings x years of service Prior to 2011: 2.22% of Pension Earnings x years of service	Annuity

(1) Compensation covered by the Pension Plan and the related Supplemental Pension Plan for 2016 equals the sum of the amounts for 2016 in the "Salary" and "Non-Equity Incentive Plan Compensation" columns of the "2016 Summary Compensation Table."

(2) Certain bonuses are not included in pension earnings.

GENERAL

Contributions to the Pension Plan are made entirely by Pfizer and are paid into a trust fund from which benefits are paid. Under the Pension Plan, the amount of annual earnings that may be considered in calculating benefits is limited by law. For 2016, the annual limitation was \$265,000. The Pension Plan also currently limits pensions paid to an annual maximum benefit in 2016 of \$210,000, payable at age 65 in accordance with IRC requirements. Under the Supplemental Plans, Pfizer provides, out of its general assets, amounts substantially equal to the difference between the amount that would have been paid in the absence of these IRC limits and the amount that may be paid under the Pension Plan. The Supplemental Plans are non-funded; however, in certain circumstances Pfizer has established and will fund trusts to secure obligations to make payments under the Supplemental Plans. In 2015, for eligible active participants, an offer was made to allow a one-time election of a notional transfer of the post-2004 Supplemental Pension Plan benefit to the Pfizer Supplemental Savings Plan (PSSP) effective January 2016. Mr. Read was eligible for the offer and chose to elect the transfer which was in the amount of \$30,992,370. It represents a transfer amount of \$26,964,478 in January 2016, with the remaining amount of \$4,027,892 transferred in March 2016. As a result, the amounts shown in the Supplemental Plan figures noted in the table above include a deduction with a corresponding increase to his PSSP account (see "2016 Non-Qualified Deferred Compensation Table"). By electing the notional transfer, Mr. Read ceased participating in the Pension Plan effective December 31, 2015. The remaining benefit not transferred is unchanged and will be payable to him consistent with the terms of the plan. The change in pension value reported in the SCT represents the impact of interest rates and mortality on his remaining benefit. The Board policy on Pension Benefits for Executives will be applied as if the notional transfer had not been made.