

IN THE MATTER OF THE SECURITIES LEGISLATION OF  
NOVA SCOTIA, BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
MANITOBA AND ONTARIO

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW SYSTEM  
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF PFIZER INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Nova Scotia, British Columbia, Alberta, Saskatchewan, Manitoba and Ontario (the "Jurisdictions") has received an application from Pfizer Inc. ("Pfizer" or the "Company") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that (i) the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") (collectively, the "Registration and Prospectus Requirements") shall not apply to certain trades in securities of Pfizer made in connection with the Pfizer Inc. 2001 Stock and Incentive Plan (the "Plan"); (ii) the Registration Requirements shall not apply to first trades of shares of common stock of Pfizer ("Shares") acquired under the Plan made through the Agent (defined below) on an exchange or market outside of Canada; and (iii) the requirements contained in the Legislation relating to the delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, bid financing, identical consideration, collateral benefits, and the requirement to file a reporting form within ten days of an exempt issuer bid and pay a related fee (the "Issuer Bid Requirements") shall not apply to certain acquisitions by the Company of Shares pursuant to the Plan in each of the Jurisdictions;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Nova Scotia Securities Commission is the principal regulator for this application;

AND WHEREAS Pfizer has represented to the Decision Makers as follows:

1. Pfizer is presently a corporation incorporated under the laws of the State of Delaware. Pfizer's executive offices are located in New York, New York.
2. Pfizer is registered with the Securities and Exchange Commission (the "SEC") in the United States under the United States Securities Exchange Act of 1934 (the "Exchange Act") and is not exempt from the reporting requirements of the Exchange Act pursuant to Rule 12g3-2 made

thereunder.

3. The authorized share capital of Pfizer consists of 9 billion Shares of par value US\$.05 per Share and 12 million shares of preferred stock ("Preferred Stock"), of which as of March 6, 2002, there were 6,265,230,721 Shares and 0 shares of Preferred Stock issued and outstanding.

4. The Shares are traded in the United States on the New York Stock Exchange (the "NYSE") and in Europe on the London, Euronext and Swiss stock exchanges (collectively, the "Exchanges").

5. Pfizer is not a reporting issuer or the equivalent in any jurisdiction in Canada and has no present intention of becoming a reporting issuer or the equivalent in any jurisdiction in Canada. The majority of Pfizer's directors reside outside of Canada.

6. The purpose of the Plan is to provide a material incentive to employees of Pfizer and its affiliates ("Employees") by making available to them the benefits of a larger Share ownership in the Company through stock options, stock awards or otherwise.

7. Subject to adjustment as described in the Plan, the maximum number of Shares that may be issued under the Plan is 250 million.

8. Shares offered under the Plan are registered with the SEC under the *Securities Act* of 1933, as amended, of the United States. All necessary securities filings have been made in the United States in order to offer the Plan to the Employees. The Plan was approved by the shareholders of Pfizer on April 26, 2001.

9. Under the Plan, options over Shares ("Options") and stock awards ("Stock Awards") consisting of Shares may be issued to those Employees selected by Pfizer's executive compensation committee (the "Committee").

10. As of February 28, 2002, there were 5 Employees in Nova Scotia, 8 Employees in British Columbia, 12 Employees in Alberta, 2 Employees in Saskatchewan, 4 Employees in Manitoba and 137 Employees in Ontario eligible to participate in the Plan.

11. Pfizer uses the services of agents for the Plan (each an "Agent"). Merrill Lynch & Co., Inc. and Merrill Lynch Pierce Fenner & Smith, Inc. (together "Merrill Lynch") have been appointed as the initial Agents for the Plan. Merrill Lynch through its affiliate Merrill Lynch Pierce Fenner & Smith, Inc. is, and any Agent appointed in addition to or in replacement of Merrill Lynch is expected to be a corporation registered under applicable U.S. securities or banking legislation to trade in securities and has been, or will be, authorized by Pfizer to provide services as an agent under the Plan. Merrill Lynch and any replacement or additional Agent, is not and is not expected to be registered in any of the Jurisdictions to effect retail trades.

12. The role of the Agent may include: (a) assisting with the general administration of the Plan and providing various record keeping services; (b) holding Stock Awards on behalf of participants; (c) facilitating Option exercises (including cashless exercises) under the Plan; (d)

maintaining limited purpose broker accounts on behalf of participants under the Plan; (e) holding Shares acquired under the Plan on behalf of participants in limited purpose broker accounts; (f) facilitating the cancellation and surrender of Stock Awards as permitted under the Plan; (g) facilitating the payment of withholding taxes; and (h) facilitating the resale of Shares acquired under the Plan through the NYSE or such other stock exchange or market upon which the Shares may be listed.

13. Employees are not induced to participate in the Plan or to exercise their Options by expectation of employment or continued employment with Pfizer or its affiliates.

14. Options or Stock Awards granted under the Plan are not transferable other than by will or the laws of intestacy and shall be exercisable, during the optionee's or grantee's lifetime, only by the optionee or grantee. Notwithstanding the foregoing, the Committee may grant Options which may be transferred by the optionee, solely as gifts during the optionee's lifetime, to any member of the optionee's immediate family or to a trust established for the exclusive benefit of one or more members of the optionee's immediate family ("Permitted Transferee"). For purposes of the Plan, "immediate family" means any spouse, child, stepchild or grandchild of an optionee.

15. The Committee shall establish procedures governing the exercise of Options. Generally, in order to exercise an Option, the holder of an Option must submit to Pfizer or the Agent a written notice of exercise identifying the Option and the number of Shares being exercised, and deliver full payment for the Shares underlying the Options to Pfizer or the Agent. The Option exercise price may be paid in cash or where permitted by the Committee by way of cashless exercise or by such other method permitted by the Committee from time to time.

16. Under the Plan, the Committee may grant Stock Awards to any Employee. Each Stock Award shall provide that the Shares subject to such Stock Award may not be transferred or otherwise disposed of by the participant prior to the expiration of the period or periods specified therein, which, generally, shall not occur earlier than one (1) year following the date of the grant of such Stock Award.

17. Pfizer shall have the right to reacquire Shares underlying Stock Awards upon the termination of an Employee's employment with Pfizer or its affiliates while such restriction is in effect, such reacquisition to be upon the terms and conditions provided in the agreement relating to the Stock Award ("Repurchase Rights"). Generally, if an Employee's employment terminates, other than in the case of death, disability or retirement, prior to the end of the restriction period, the Shares underlying the Stock Award will automatically revert to Pfizer without any payment to the Employee.

18. Pfizer shall have the right to deduct applicable taxes from any Option or Stock Award payment and to withhold at the time of delivery or vesting of cash or Shares under the Plan, an appropriate amount of cash or Shares or a combination thereof for a payment of taxes required by law or to take such other action as may be necessary in the opinion of Pfizer or the Committee to satisfy all obligations for the withholding of such taxes. If Shares are used to satisfy the withholding of tax, the Shares will be valued based on the Shares' fair market value (determined in accordance with the rules of the Plan) when the tax withholding is required to be made.

19. Generally, following the termination of a participant's relationship with Pfizer or an affiliate of Pfizer for reasons of death, disability, retirement or any other reason, a former participant in the Plan ("Former Participant"), and on the death of a participant, where the Option or Stock Award has been transferred by will or pursuant to the laws of intestacy or otherwise, or such Option or Stock Award is transferred as permitted by the Committee to a Permitted Transferee, the Former Participant or Permitted Transferee may continue to have rights in respect of the Plan ("Post-Termination Rights"). Post-Termination Rights may include, among other things, the right to exercise an Option or receive Shares underlying a Stock Award for a period determined in accordance with the Plan following termination and the right to sell Shares acquired under the Plan through an Agent. Post-Termination Rights are only available if the right was earned by the Employee while the Employee still had a relationship with Pfizer or its affiliates.

20. A prospectus prepared in accordance with U.S. securities laws describing the terms and conditions of the Plan will be delivered to each Employee who is granted an Option or Stock Award under the Plan. The annual report, proxy materials and other materials which Pfizer is required to file with the SEC will be provided or made available to Canadian resident participants in the Plan at the same time and in the same manner as the documents are provided or made available to U.S. resident participants in the Plan.

21. Canadian resident shareholders of Pfizer do not own, directly or indirectly, more than 10% of the issued and outstanding Shares and do not represent in number more than 10% of the total number of shareholders of Pfizer.

22. Employees, Former Participants or Permitted Transferees may exercise Options and sell Shares acquired under the Plan through an Agent.

23. Because there is no market for the Shares in Canada and none is expected to develop, any resale of the Shares acquired under the Plan will be effected through the facilities of, and in accordance with the rules and laws applicable to, a stock exchange or organized market outside of Canada on which the Shares may be listed or quoted for trading.

24. The Legislation of certain of the Jurisdictions does not contain exemptions from the Registration and Prospectus Requirements for Option exercises by Employees, Former Participants or Permitted Transferees through the Agent where the Agent is not a registrant.

25. Where the Agent sells Shares on behalf of Employees, Former Participants or Permitted Transferees, the Employees, Former Participants, Permitted Transferees or the Agent may not be able to rely on the exemptions from the Registration Requirements contained in the Legislation.

26. The acquisition by Pfizer of Shares pursuant to the Repurchase Rights or for the withholding of tax may be an issuer bid as defined in the Legislation. The exemptions in the Legislation from the Issuer Bid Requirements are not available for these acquisitions by the Company of its Shares from Employees, Former Participants or Permitted Transferees in accordance with the terms of the Plan, since these acquisitions may occur at a price that is not calculated in

accordance with the "market price," as that term is defined in the Legislation and may be made from persons other than employees or former employees.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that:

(a) the Registration and Prospectus Requirements shall not apply to any trade or distribution of Options, Shares or Stock Awards made in connection with the Plan, including trades or distributions involving Pfizer or its affiliates, the Agent, Employees, Former Participants or Permitted Transferees, provided that the first trade in Shares acquired under the Plan pursuant to this Decision, including Shares underlying a Stock Award, shall be deemed a distribution or primary distribution to the public under the Legislation unless the conditions in subsection 2.14(1) of Multilateral Instrument 45-102 Resale of Securities are satisfied;

(b) the first trade by Employees, Former Participants or Permitted Transferees in Shares acquired pursuant to the Plan, including Shares underlying a Stock Award, effected through an Agent shall not be subject to the Registration Requirements provided that the conditions in subsection 2.14(1) of Multilateral Instrument 45-102 Resale of Securities are satisfied; and

(c) the Issuer Bid Requirements shall not apply to the acquisition by Pfizer of Shares, including Shares underlying a Stock Award, from Employees, Former Participants and Permitted Transferees provided the acquisitions are made in accordance with the terms of the Plan.

DATED this 10th day of May, 2002.

H. Leslie O'Brien