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SAMPLE RESOLUTION: REVIEW POLITICAL CONTRIBUTIONS POLICY – PFIZER

Whereas: Political spending by companies is increasingly controversial, heightened by the recent *Citizens United* Supreme Court decision, which allows companies to make independent expenditures in favor of or in opposition to, a candidate's election campaign.

Corporate expenditures supporting a contentious 2010 ballot initiative suspending California's Global Warming Solutions Act added fuel to the controversy, as did Target and Best Buy contributions for a controversial candidate for Governor in Minnesota.

Over the last five years, corporate political spending has become a major investor concern. Investors asked hundreds of companies to disclose their policies establish board oversight and disclose all direct and indirect expenditures for political purposes. More than seventy-five S&P 500 companies now disclose their political expenditures and policies on their website. Shareowner proposals urging such disclosure averaged more than 30 percent of votes in 2010, indicating strong investor support.

Many companies are updating their political spending policies. For example, Morgan Stanley stated it will not make direct or indirect independent political expenditures.

Left out of many company commitments, however, is transparency around payments to trade associations and other tax-exempt groups for political purposes.

Pfizer is on the board of the U.S. Chamber of Commerce, which announced it will spend \$75 million in political campaigns in 2010. The Chamber, allegedly on behalf of the business community, lobbies, speaks publicly and puts political dollars to work which effectively challenge Pfizer's positions on environmental issues. Pfizer has strong environmental policies and urges companies in its supply chain to follow suit. Yet as a Chamber board member, Pfizer plays a passive role and does not seek to influence or challenge the Chamber's environmental positions.

Pfizer also has clear policies prohibiting political spending, but does not challenge the Chamber on its partisan political activities. These inconsistencies could be harmful to Pfizer's reputation.

The Chamber's website states: "Directors determine the U.S. Chamber's policy positions on business issues and advise the U.S. Chamber on appropriate strategies to pursue. Through their participation in meetings and activities held across the nation, Directors help implement and promote U.S. Chamber policies and objectives." As a Chamber board member Pfizer certainly may be perceived as supporting its policies.

Resolved: Shareholders request that the independent Board members institute a comprehensive review of Pfizer's political spending policies and oversight processes, both direct and indirect, including through trade associations, and present a summary report by September 2011. The report may omit confidential information and limit costs. Items for review include:

- Review and disclosure of any direct and indirect expenditures supporting or opposing candidates, or for issue ads designed to affect political races, including dues and special payments made to trade associations, such as the U.S. Chamber of Commerce, or political and other organizations that can hide any contributions.
- Risks and responsibilities associated with serving on boards of and paying dues to trade organizations when positions of the trade association contradict the company's own positions.
- Management and board oversight processes for all political spending, direct or indirect.