

RESOLVED that shareholders of Pfizer Inc. (“Pfizer” or the “Company”) ask the Board of Directors to report to shareholders, at reasonable expense and omitting confidential and proprietary information, on whether and how receipt by Pfizer or its business partners of public financial support for development and manufacture of a vaccine or therapeutics for COVID-19 is being, or will be, taken into account when making decisions that affect access to such products, such as setting prices.

## SUPPORTING STATEMENT

Pfizer has benefited from substantial public funding for the development of its COVID-19 vaccine, on which it is partnering with German firm BioNTech.

The Biomedical Advanced Research and Development Authority (“BARDA”) and the Department of Defense have committed nearly \$2 billion in funding for Pfizer and BioNTech’s vaccine as part of the Operation Warp Speed (“OWS”) program. The deal entitles BARDA to 100 million doses and an option to buy 500 million more.<sup>1</sup> Although advance purchase commitments do not directly fund vaccine development, they reduce the risk associated with it.<sup>2</sup> BioNTech has benefited from significant public funding at several different stages in its development of the mRNA technology used in the vaccine it is developing with Pfizer and received over \$444 million from the German government to accelerate vaccine development and expand manufacturing capacity.<sup>3</sup>

Unlike fellow OWS participants Janssen and AstraZeneca,<sup>4</sup> Pfizer has not committed to provide its vaccine on a nonprofit basis during the pandemic. We believe that charging a price perceived as too high could damage Pfizer’s reputation and create regulatory risk for the Company. An industry publication recently noted that “[v]accine pricing has the potential to be controversial, given the urgent health crisis posed by the pandemic as well as the billions of dollars in government funding supporting coronavirus vaccine development.”<sup>5</sup> Pfizer has often been criticized for high drug prices.

If Pfizer’s vaccine is approved, scaling up production beyond the Company’s own goal of producing 1.3 billion doses in 2021<sup>6</sup> will be essential to ensure universal

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<sup>1</sup> <https://federallabs.org/news/barda-dod-engage-pfizer-for-millions-of-covid-19-vaccine-doses>

<sup>2</sup> See <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.24.3.653>

<sup>3</sup> [https://www.citizen.org/article/the-peoples-vaccine/#\\_ftn44](https://www.citizen.org/article/the-peoples-vaccine/#_ftn44)

<sup>4</sup> See <https://www.usatoday.com/story/news/2020/07/20/covid-19-vaccine-house-hearing-non-profit-low-price-possible/5475329002/>

<sup>5</sup> <https://www.biopharmadive.com/news/moderna-coronavirus-vaccine-price-dose/582947/>

<sup>6</sup> <https://www.pfizer.com/news/press-release/press-release-detail/pfizer-and-biontech-supply-japan-120-million-doses-their>

and low-cost vaccine access, which is critical to maintain stability, reignite the global economy and investor returns,<sup>7</sup> and prevent domestic outbreaks.<sup>8</sup> Accordingly, Pfizer will face enormous pressure to share intellectual property covering the COVID-19 vaccine which public entities such as BARDA are supporting.

Pfizer's website, which predates the pandemic, describes factors it uses when pricing its medicines, including impact on patients, promoting Pfizer's continued ability to innovate, and the Company's investments in the quality, safety and reliability of its medicines.<sup>9</sup> It is unclear how those factors would apply in the context of a pandemic in which public support has backed research on underlying technologies and reduced the risks for companies developing products. This Proposal seeks to fill this gap by asking Pfizer to explain whether and how the significant contribution from public entities affects, or will affect, decisions that Pfizer makes that could affect access, such as setting prices.

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<sup>7</sup> <https://www.wsj.com/articles/covid-19-vaccine-deployment-would-give-global-economy-a-lift-next-year-11601820001>

<sup>8</sup> See

<https://www.americanprogress.org/issues/healthcare/reports/2020/07/28/488196/comprehensive-covid-19-vaccine-plan/>

<sup>9</sup>

[https://www.pfizer.com/news/featured\\_stories/featured\\_stories\\_detail/how\\_does\\_pfizer\\_price\\_medicines](https://www.pfizer.com/news/featured_stories/featured_stories_detail/how_does_pfizer_price_medicines)