January 2021

Re: Pfizer's Guidance on Overhead for Independent Grants

The goal of the Global Medical Grants team at Pfizer is to improve the quality, safety and effectiveness of healthcare through facilitation and support of research studies and independent projects that increase the competence and performance of individual providers and healthcare teams, educate and empower their patients and implement practical solutions within systems-of-care.

Pfizer reviews all independent grant budgets to ensure that we award financial support that is appropriate for the proposed activity and not excessive. The approved funding amount must be linked to the performance of specific grant activities, or protocol-required services and procedures.

Pfizer maintains a company-wide, **maximum allowed overhead rate of 28% for independent grant projects** irrespective of the Pfizer product or clinical area involved. We acknowledge that 28% may not cover all overhead costs, but this percentage was reviewed against and in line with benchmark data in this space. Pfizer appreciates the need for grant funds to support costs related to the institution's administrative overhead, but the spirit of this policy is to allow a majority of the funding to pay for expenses that are directly attributable to the research itself and the independent project outcomes.

An Institution with an actual overhead rate lower than the 28% rate should not increase the funding request to the maximum allowed. The intent is to sufficiently fund actual costs, not to generate financial surpluses for grantee institutions.

While occasionally exceptions have been made to the policy in the past, as of January 25, 2021 Pfizer will no longer make any exceptions to this policy.

If you have any further questions, please do not hesitate to contact GMG@pfizer.com.

Sincerely,

The Pfizer Global Medical Grants Team