

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-35565

**abbvie**

**AbbVie Inc.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

32-0375147

(I.R.S. employer identification number)

1 North Waukegan Road  
North Chicago, Illinois 60064-6400

Telephone: (847) 932-7900

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Non-Accelerated Filer

Accelerated Filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                      | Trading Symbol(s) | Name of each exchange on which registered         |
|--|-------------------|---|
| Common Stock, par value \$0.01 per share | ABBV              | New York Stock Exchange<br>Chicago Stock Exchange |
| 1.375% Senior Notes due 2024             | ABBV24            | New York Stock Exchange                           |
| 1.250% Senior Notes due 2024             | ABBV24B           | New York Stock Exchange                           |
| 0.750% Senior Notes due 2027             | ABBV27            | New York Stock Exchange                           |
| 2.125% Senior Notes due 2028             | ABBV28            | New York Stock Exchange                           |
| 2.625% Senior Notes due 2028             | ABBV28B           | New York Stock Exchange                           |
| 2.125% Senior Notes due 2029             | ABBV29            | New York Stock Exchange                           |
| 1.250% Senior Notes due 2031             | ABBV31            | New York Stock Exchange                           |

As of April 25, 2024, AbbVie Inc. had 1,765,867,781 shares of common stock at \$0.01 par value outstanding.

**AbbVie Inc. and Subsidiaries**  
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

AbbVie Inc. and Subsidiaries  
Condensed Consolidated Statements of Earnings (unaudited)

| (in millions, except per share data)                   | Three months ended<br>March 31, |           |
|--|---------------------------------|-----------|
|  | 2024                            | 2023      |
| <b>Net revenues</b>                                    | \$ 12,310                       | \$ 12,225 |
| Cost of products sold                                  | 4,094                           | 3,986     |
| Selling, general and administrative                    | 3,315                           | 3,039     |
| Research and development                               | 1,939                           | 2,292     |
| Acquired IPR&D and milestones                          | 164                             | 150       |
| Other operating income                                 | —                               | (10)      |
| Total operating costs and expenses                     | 9,512                           | 9,457     |
| Operating earnings                                     | 2,798                           | 2,768     |
| Interest expense, net                                  | 453                             | 454       |
| Net foreign exchange loss                              | 4                               | 35        |
| Other expense, net                                     | 586                             | 1,804     |
| Earnings before income tax expense                     | 1,755                           | 475       |
| Income tax expense                                     | 383                             | 234       |
| Net earnings   | 1,372                           | 241       |
| Net earnings attributable to noncontrolling interest   | 3                               | 2         |
| <b>Net earnings attributable to AbbVie Inc.</b>        | \$ 1,369                        | \$ 239    |
| <b>Per share data</b>                                  |                                 |           |
| Basic earnings per share attributable to AbbVie Inc.   | \$ 0.77                         | \$ 0.13   |
| Diluted earnings per share attributable to AbbVie Inc. | \$ 0.77                         | \$ 0.13   |
| Weighted-average basic shares outstanding              | 1,769                           | 1,770     |
| Weighted-average diluted shares outstanding            | 1,773                           | 1,776     |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**AbbVie Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Comprehensive Income (unaudited)**

| (in millions)   | Three months ended<br>March 31, |               |
|---|---------------------------------|---------------|
|   | 2024                            | 2023          |
| <b>Net earnings</b>   | \$ 1,372                        | \$ 241        |
| Foreign currency translation adjustments, net of tax expense (benefit) of \$(20) for the three months ended March 31, 2024 and \$12 for the three months ended March 31, 2023 | (396)                           | 194           |
| Net investment hedging activities, net of tax expense (benefit) of \$57 for the three months ended March 31, 2024 and \$(60) for the three months ended March 31, 2023        | 207                             | (224)         |
| Pension and post-employment benefits, net of tax expense (benefit) of \$1 for the three months ended March 31, 2024 and \$14 for the three months ended March 31, 2023        | 10                              | 38            |
| Cash flow hedging activities, net of tax expense (benefit) of \$7 for the three months ended March 31, 2024 and \$(4) for the three months ended March 31, 2023               | 30                              | (41)          |
| Other comprehensive loss  | (149)                           | (33)          |
| Comprehensive income  | 1,223                           | 208           |
| Comprehensive income attributable to noncontrolling interest  | 3                               | 2             |
| <b>Comprehensive income attributable to AbbVie Inc.</b>   | <b>\$ 1,220</b>                 | <b>\$ 206</b> |

The accompanying notes are an integral part of these condensed consolidated financial statements.

AbbVie Inc. and Subsidiaries  
Condensed Consolidated Balance Sheets

| (in millions, except share data)  | March 31,<br>2024 | December 31,<br>2023 |
|---|-------------------|----------------------|
|   | (unaudited)       |                      |
| <b>Assets</b>   |                   |                      |
| <b>Current assets</b>   |                   |                      |
| Cash and equivalents  | \$ 18,067         | \$ 12,814            |
| Short-term investments  | 2                 | 2                    |
| Accounts receivable, net  | 11,949            | 11,155               |
| Inventories   | 4,245             | 4,099                |
| Prepaid expenses and other  | 4,608             | 4,932                |
| <b>Total current assets</b>   | <b>38,871</b>     | <b>33,002</b>        |
| Investments   | 305               | 304                  |
| Property and equipment, net   | 4,980             | 4,989                |
| Intangible assets, net  | 62,225            | 55,610               |
| Goodwill  | 33,426            | 32,293               |
| Other assets  | 9,067             | 8,513                |
| <b>Total assets</b>   | <b>\$ 148,874</b> | <b>\$ 134,711</b>    |
| <b>Liabilities and Equity</b>   |                   |                      |
| <b>Current liabilities</b>  |                   |                      |
| Short-term borrowings   | \$ 3              | \$ —                 |
| Current portion of long-term debt and finance lease obligations   | 10,193            | 7,191                |
| Accounts payable and accrued liabilities  | 31,326            | 30,650               |
| <b>Total current liabilities</b>  | <b>41,522</b>     | <b>37,841</b>        |
| Long-term debt and finance lease obligations  | 63,805            | 52,194               |
| Deferred income taxes   | 2,722             | 1,952                |
| Other long-term liabilities   | 32,778            | 32,327               |
| Commitments and contingencies   |                   |                      |
| <b>Stockholders' equity</b>   |                   |                      |
| Common stock, \$0.01 par value, 4,000,000,000 shares authorized, 1,829,957,662 shares issued as of March 31, 2024 and 1,823,046,087 as of December 31, 2023 | 18                | 18                   |
| Common stock held in treasury, at cost, 64,234,512 shares as of March 31, 2024 and 57,105,354 as of December 31, 2023                                       | (7,829)           | (6,533)              |
| Additional paid-in capital  | 20,656            | 20,180               |
| Accumulated deficit   | (2,384)           | (1,000)              |
| Accumulated other comprehensive loss  | (2,454)           | (2,305)              |
| <b>Total stockholders' equity</b>   | <b>8,007</b>      | <b>10,360</b>        |
| Noncontrolling interest   | 40                | 37                   |
| <b>Total equity</b>   | <b>8,047</b>      | <b>10,397</b>        |
| <b>Total liabilities and equity</b>   | <b>\$ 148,874</b> | <b>\$ 134,711</b>    |

The accompanying notes are an integral part of these condensed consolidated financial statements.

AbbVie Inc. and Subsidiaries  
Condensed Consolidated Statements of Equity (unaudited)

| (in millions)                            | Common shares<br>outstanding | Common stock | Treasury stock | Additional paid-<br>in capital | Retained earnings<br>(accumulated deficit) | Accumulated other<br>comprehensive loss | Noncontrolling interest | Total     |
|--|------------------------------|--------------|----------------|--------------------------------|--|---|-------------------------|-----------|
| <b>Balance at December 31, 2022</b>      | 1,769                        | \$ 18        | \$ (4,594)     | \$ 19,245                      | \$ 4,784                                   | \$ (2,199)                              | \$ 33                   | \$ 17,287 |
| Net earnings attributable to AbbVie Inc. | —                            | —            | —              | —                              | 239  | —                                       | —                       | 239       |
| Other comprehensive loss, net of tax     | —                            | —            | —              | —                              | —  | (33)                                    | —                       | (33)      |
| Dividends declared                       | —                            | —            | —              | —                              | (2,630)                                    | —                                       | —                       | (2,630)   |
| Purchases of treasury stock              | (12)                         | —            | (1,955)        | —                              | —  | —                                       | —                       | (1,955)   |
| Stock-based compensation plans and other | 7                            | —            | 25             | 374                            | —  | —                                       | —                       | 399       |
| Change in noncontrolling interest        | —                            | —            | —              | —                              | —  | —                                       | (4)                     | (4)       |
| <b>Balance at March 31, 2023</b>         | 1,764                        | \$ 18        | \$ (6,524)     | \$ 19,619                      | \$ 2,393                                   | \$ (2,232)                              | \$ 29                   | \$ 13,303 |
| <b>Balance at December 31, 2023</b>      | 1,766                        | \$ 18        | \$ (6,533)     | \$ 20,180                      | \$ (1,000)                                 | \$ (2,305)                              | \$ 37                   | \$ 10,397 |
| Net earnings attributable to AbbVie Inc. | —                            | —            | —              | —                              | 1,369                                      | —                                       | —                       | 1,369     |
| Other comprehensive loss, net of tax     | —                            | —            | —              | —                              | —  | (149)                                   | —                       | (149)     |
| Dividends declared                       | —                            | —            | —              | —                              | (2,753)                                    | —                                       | —                       | (2,753)   |
| Purchases of treasury stock              | (7)                          | —            | (1,324)        | —                              | —  | —                                       | —                       | (1,324)   |
| Stock-based compensation plans and other | 7                            | —            | 28             | 476                            | —  | —                                       | —                       | 504       |
| Change in noncontrolling interest        | —                            | —            | —              | —                              | —  | —                                       | 3                       | 3         |
| <b>Balance at March 31, 2024</b>         | 1,766                        | \$ 18        | \$ (7,829)     | \$ 20,656                      | \$ (2,384)                                 | \$ (2,454)                              | \$ 40                   | \$ 8,047  |

The accompanying notes are an integral part of these condensed consolidated financial statements.

AbbVie Inc. and Subsidiaries  
Condensed Consolidated Statements of Cash Flows (unaudited)

| (in millions) (brackets denote cash outflows)                                | Three months ended<br>March 31, |                 |
|--|---------------------------------|-----------------|
|  | 2024                            | 2023            |
| <b>Cash flows from operating activities</b>                                  |                                 |                 |
| Net earnings   | \$ 1,372                        | \$ 241          |
| Adjustments to reconcile net earnings to net cash from operating activities: |                                 |                 |
| Depreciation   | 183                             | 179             |
| Amortization of intangible assets  | 1,891                           | 1,948           |
| Deferred income taxes  | (389)                           | (267)           |
| Change in fair value of contingent consideration liabilities                 | 660                             | 1,872           |
| Payments of contingent consideration liabilities                             | (391)                           | (14)            |
| Stock-based compensation   | 348                             | 313             |
| Acquired IPR&D and milestones  | 164                             | 150             |
| Impairment of intangible assets  | —                               | 710             |
| Other, net   | (45)                            | (128)           |
| Changes in operating assets and liabilities, net of acquisitions:            |                                 |                 |
| Accounts receivable  | (702)                           | (195)           |
| Inventories  | (75)                            | (185)           |
| Prepaid expenses and other assets  | 284                             | (167)           |
| Accounts payable and other liabilities                                       | 362                             | (451)           |
| Income tax assets and liabilities, net                                       | 378                             | 187             |
| <b>Cash flows from operating activities</b>                                  | <b>4,040</b>                    | <b>4,193</b>    |
| <b>Cash flows from investing activities</b>                                  |                                 |                 |
| Acquisition of businesses, net of cash acquired                              | (9,199)                         | —               |
| Other acquisitions and investments   | (190)                           | (353)           |
| Acquisitions of property and equipment                                       | (193)                           | (175)           |
| Purchases of investment securities   | (6)                             | (19)            |
| Sales and maturities of investment securities                                | 6                               | 22              |
| Other, net   | (6)                             | 26              |
| <b>Cash flows from investing activities</b>                                  | <b>(9,588)</b>                  | <b>(499)</b>    |
| <b>Cash flows from financing activities</b>                                  |                                 |                 |
| Proceeds from issuance of other short-term borrowings                        | 5,008                           | —               |
| Repayments of other short-term borrowings                                    | (5,005)                         | —               |
| Proceeds from issuance of long-term debt                                     | 14,963                          | —               |
| Repayments of long-term debt and finance lease obligations                   | (103)                           | (1,351)         |
| Debt issuance costs  | (99)                            | —               |
| Dividends paid   | (2,772)                         | (2,661)         |
| Purchases of treasury stock  | (1,324)                         | (1,955)         |
| Proceeds from the exercise of stock options                                  | 127                             | 65              |
| Payments of contingent consideration liabilities                             | —                               | (311)           |
| Other, net   | 24                              | 21              |
| <b>Cash flows from financing activities</b>                                  | <b>10,819</b>                   | <b>(6,192)</b>  |
| Effect of exchange rate changes on cash and equivalents                      | (18)                            | 8               |
| Net change in cash and equivalents   | 5,253                           | (2,490)         |
| Cash and equivalents, beginning of period                                    | 12,814                          | 9,201           |
| <b>Cash and equivalents, end of period</b>                                   | <b>\$ 18,067</b>                | <b>\$ 6,711</b> |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Note 1 Basis of Presentation**

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**Basis of Historical Presentation**

The unaudited interim condensed consolidated financial statements of AbbVie Inc. (AbbVie or the company) have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) have been omitted. These unaudited interim condensed consolidated financial statements should be read in conjunction with the company's audited consolidated financial statements and notes included in the company's Annual Report on Form 10-K for the year ended December 31, 2023.

It is management's opinion that these financial statements include all normal and recurring adjustments necessary for a fair presentation of the company's financial position and operating results. Net revenues and net earnings for any interim period are not necessarily indicative of future or annual results. Certain other reclassifications were made to conform the prior period interim condensed consolidated financial statements to the current period presentation.

On February 12, 2024, AbbVie completed its previously announced acquisition of ImmunoGen, Inc. (ImmunoGen). Refer to Note 4 and Note 8 for additional information regarding this acquisition.

**Recent Accounting Pronouncements**

*Recent Accounting Pronouncements Not Yet Adopted*

**ASU No. 2023-09**

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-09, *Income Taxes - Improvements to Income Tax Disclosures (Topic 740)*. The standard requires disaggregation of the effective rate reconciliation into standard categories, enhances disclosure of income taxes paid, and modifies other income tax-related disclosures. The standard will be effective for AbbVie starting in annual periods in 2025, with early adoption permitted. AbbVie is currently assessing the impact of adopting this guidance on its consolidated financial statements.

**ASU No. 2023-07**

In November 2023, the FASB issued ASU No. 2023-07 *Segment Reporting - Improving Reportable Segment Disclosures (Topic 280)*. The standard requires disclosures to include significant segment expenses that are regularly provided to the chief operating decision maker (CODM), a description of other segment items by reportable segment, and any additional measures of a segment's profit or loss used by the CODM when deciding how to allocate resources. The ASU also requires all annual disclosures currently required by Topic 280 to be included in interim periods. The standard is effective for AbbVie starting in annual periods in 2024 and interim periods in 2025, with early adoption permitted and requires retrospective application to all prior periods presented in the financial statements. AbbVie is currently assessing the impact of adopting this guidance on its consolidated financial statements.

## Note 2 Supplemental Financial Information

### Interest Expense, Net

| (in millions)         | Three months ended |       |      |      |
|-----------------------|--------------------|-------|------|------|
|                       | March 31,          |       | 2023 |      |
|                       | 2024               |       | 2023 |      |
| Interest expense      | \$                 | 660   | \$   | 553  |
| Interest income       |                    | (207) |      | (99) |
| Interest expense, net | \$                 | 453   | \$   | 454  |

### Inventories

| (in millions)   | March 31, |       | December 31, |       |
|-----------------|-----------|-------|--------------|-------|
|                 | 2024      |       | 2023         |       |
| Finished goods  | \$        | 1,258 | \$           | 1,356 |
| Work-in-process |           | 1,890 |              | 1,643 |
| Raw materials   |           | 1,097 |              | 1,100 |
| Inventories     | \$        | 4,245 | \$           | 4,099 |

### Property and Equipment, Net

| (in millions)                 | March 31, |         | December 31, |         |
|-------------------------------|-----------|---------|--------------|---------|
|                               | 2024      |         | 2023         |         |
| Property and equipment, gross | \$        | 11,725  | \$           | 11,635  |
| Accumulated depreciation      |           | (6,745) |              | (6,646) |
| Property and equipment, net   | \$        | 4,980   | \$           | 4,989   |

Depreciation expense was \$183 million for the three months ended March 31, 2024 and \$179 million for the three months ended March 31, 2023.

### Note 3 Earnings Per Share

AbbVie grants certain restricted stock units (RSUs) that are considered to be participating securities. Due to the presence of participating securities, AbbVie calculates earnings per share (EPS) using the more dilutive of the treasury stock or the two-class method. For all periods presented, the two-class method was more dilutive.

The following table summarizes the impact of the two-class method:

| (in millions, except per share data)                   | Three months ended |         |
|--|--------------------|---------|
|  | 2024               | 2023    |
| <b>Basic EPS</b>                                       |                    |         |
| Net earnings attributable to AbbVie Inc.               | \$ 1,369           | \$ 239  |
| Earnings allocated to participating securities         | 10                 | 11      |
| Earnings available to common shareholders              | \$ 1,359           | \$ 228  |
| Weighted-average basic shares outstanding              | 1,769              | 1,770   |
| Basic earnings per share attributable to AbbVie Inc.   | \$ 0.77            | \$ 0.13 |
| <b>Diluted EPS</b>                                     |                    |         |
| Net earnings attributable to AbbVie Inc.               | \$ 1,369           | \$ 239  |
| Earnings allocated to participating securities         | 10                 | 11      |
| Earnings available to common shareholders              | \$ 1,359           | \$ 228  |
| Weighted-average shares of common stock outstanding    | 1,769              | 1,770   |
| Effect of dilutive securities                          | 4                  | 6       |
| Weighted-average diluted shares outstanding            | 1,773              | 1,776   |
| Diluted earnings per share attributable to AbbVie Inc. | \$ 0.77            | \$ 0.13 |

Certain shares issuable under stock-based compensation plans were excluded from the computation of EPS because the effect would have been antidilutive. The number of common shares excluded was insignificant for all periods presented.

## Note 4 Licensing, Acquisitions and Other Arrangements

### Acquisition of ImmunoGen, Inc.

On February 12, 2024, AbbVie completed its previously announced acquisition of ImmunoGen. ImmunoGen is a commercial-stage biotechnology company focused on the discovery, development and commercialization of antibody-drug conjugates (ADC) for cancer patients. ImmunoGen's oncology portfolio includes its flagship cancer therapy Elahere, a first-in-class ADC approved for platinum-resistant ovarian cancer, and a pipeline of promising next-generation ADC's targeting hematologic malignancies and solid tumors. The combination accelerates AbbVie's entry into the solid tumor space and strengthens its oncology pipeline. Under the terms of the agreement, AbbVie acquired all outstanding shares of ImmunoGen for \$31.26 per share in cash. The total fair value of the consideration transferred to owners of ImmunoGen common stock was \$9.8 billion (\$9.2 billion, net of cash acquired).

The acquisition of ImmunoGen has been accounted for as a business combination using the acquisition method of accounting. The acquisition method requires, among other things, that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date. The valuation of assets acquired and liabilities assumed has not yet been finalized as of March 31, 2024. As a result, AbbVie recorded preliminary estimates for the fair value of assets acquired and liabilities assumed as of the acquisition date. Finalization of the valuation during the measurement period could result in a change in the amounts recorded for the acquisition date fair value of intangible assets, goodwill and income taxes among other items. The completion of the valuation will occur no later than one year from the acquisition date.

The following table summarizes the preliminary fair value of assets acquired and liabilities assumed as of the acquisition date:

(in millions)

| <b>Assets acquired and liabilities assumed</b>       |                 |
|--|-----------------|
| Cash and equivalents                                 | \$ 591          |
| Accounts receivable                                  | 171             |
| Inventories  | 211             |
| Prepaid expenses and other current assets            | 40              |
| Property and equipment, net                          | 7               |
| Intangible assets, net                               |                 |
| Developed product rights                             | 7,200           |
| License agreements                                   | 125             |
| Acquired in-process research and development         | 1,280           |
| Other noncurrent assets                              | 273             |
| Current portion of long-term debt                    | (99)            |
| Accounts payable and accrued liabilities             | (312)           |
| Deferred income taxes                                | (899)           |
| Other long-term liabilities                          | (47)            |
| <b>Total identifiable net assets</b>                 | <b>8,541</b>    |
| Goodwill   | 1,249           |
| <b>Total assets acquired and liabilities assumed</b> | <b>\$ 9,790</b> |

The fair value step-up adjustment to inventories of \$179 million is being amortized to cost of products sold when the inventory is sold to customers, which is expected to be within approximately one year from the acquisition date.

Intangible assets relate to \$7.3 billion of definite-lived intangible assets and \$1.3 billion of acquired in-process research and development (IPR&D) associated with products that have not yet received regulatory approval. The acquired definite-lived intangible assets consist of developed product rights and license agreements and are being amortized over a weighted-average estimated useful life of approximately 12 years using the estimated pattern of economic benefit. The estimated fair values of identifiable intangible assets were determined using the "income approach" which is a valuation technique that provides an estimate of the fair value of an asset based on market participant expectations of the cash flows an asset would generate over its remaining useful life. Some of the more significant assumptions inherent in the development of these asset valuations include the estimated net cash flows for each year for each asset or product, the appropriate discount rate necessary to measure the risk inherent in each future cash flow stream, the life cycle of each asset, the potential regulatory and commercial success risk, competitive trends impacting the asset and each cash flow stream, as well as other factors.

Other noncurrent assets primarily consist of \$250 million of deferred tax assets.

The current portion of long-term debt assumed by AbbVie was repaid concurrent with the acquisition at the fair value of \$99 million. See Note 8 for additional information.

Goodwill was calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized. Specifically, the goodwill recognized from the acquisition of ImmunoGen represents expected synergies including, the ability to: (i) expand AbbVie's product portfolio as well as the potential to increase revenue from future growth platforms, (ii) accelerate AbbVie's clinical and commercial presence in the solid tumor space within oncology, (iii) leverage the respective strengths of each company, and (iv) enhance AbbVie's existing ADC development efforts. The goodwill is not deductible for tax purposes.

Following the acquisition date, the operating results of ImmunoGen have been included in the condensed consolidated financial statements. For the period from the acquisition date through March 31, 2024, net revenues attributable to ImmunoGen were \$91 million and operating losses attributable to ImmunoGen were \$404 million, inclusive of \$349 million of cash-settled, post-closing expense for ImmunoGen employee incentive awards, \$47 million of inventory fair value step-up amortization and \$21 million of intangible asset amortization. AbbVie also issued 0.3 million RSUs to holders of ImmunoGen equity awards based on a conversion factor described in the transaction agreement. Stock compensation expense related to the issued RSUs during the three months ended March 31, 2024 was not significant.

Acquisition-related expenses, which were comprised primarily of regulatory, financial advisory and legal fees, totaled \$59 million for the three months ended March 31, 2024 and were included in selling, general and administrative (SG&A) expense in the condensed consolidated statements of earnings.

#### *Pro Forma Financial Information*

The following table presents the unaudited pro forma combined results of AbbVie and ImmunoGen for the three months ended March 31, 2024 and 2023 as if the acquisition of ImmunoGen had occurred on January 1, 2023:

| (in millions)       | Three months ended<br>March 31, |           |
|---------------------|---------------------------------|-----------|
|                     | 2024                            | 2023      |
| Net revenues        | \$ 12,365                       | \$ 12,275 |
| Net earnings (loss) | 1,739                           | (413)     |

The unaudited pro forma combined financial information was prepared using the acquisition method of accounting and was based on the historical financial information of AbbVie and ImmunoGen. In order to reflect the occurrence of the acquisition on January 1, 2023 as required, the unaudited pro forma financial information includes adjustments to reflect incremental amortization expense to be incurred based on the current preliminary fair values of the identifiable intangible assets acquired; the incremental cost of products sold related to the fair value adjustments associated with acquisition date inventory; the additional interest expense associated with the issuance of debt to finance the acquisition; and the reclassification of acquisition-related costs incurred during the three months ended March 31, 2024 to the three months ended March 31, 2023. The unaudited pro forma financial information is not necessarily indicative of what the consolidated results of operations would have been had the acquisition been completed on January 1, 2023. In addition, the unaudited pro forma financial information is not a projection of future results of operations of the combined company nor does it reflect the expected realization of any synergies or cost savings associated with the acquisition.

#### **Proposed Acquisition of Cerevel Therapeutics Holdings, Inc.**

On December 6, 2023, AbbVie announced that it entered into a definitive agreement under which AbbVie will acquire Cerevel Therapeutics Holdings, Inc. (Cerevel Therapeutics). Under the terms of the agreement, AbbVie will acquire all outstanding shares of Cerevel Therapeutics for \$45.00 per share in cash for a total value of approximately \$8.7 billion. The transaction is expected to close in 2024 subject to regulatory approvals and other customary closing conditions.

Cerevel Therapeutics is a clinical-stage biotechnology company focused on the discovery and development of differentiated therapies for Neuroscience diseases. Cerevel Therapeutics neuroscience pipeline includes multiple clinical-stage and preclinical candidates with the potential to treat several diseases including schizophrenia, Parkinson's disease and mood disorders.

## Other Licensing & Acquisitions Activity

Cash outflows related to other acquisitions and investments totaled \$190 million for the three months ended March 31, 2024 and \$353 million for the three months ended March 31, 2023.

The following table summarizes acquired IPR&D and milestones expense:

| (in millions)                 | Three months ended<br>March 31, |        |
|-------------------------------|---------------------------------|--------|
|                               | 2024                            | 2023   |
| Upfront charges               | \$ 79                           | \$ 132 |
| Development milestones        | 85                              | 18     |
| Acquired IPR&D and milestones | \$ 164                          | \$ 150 |

## Note 5 Collaborations

The company has ongoing transactions with other entities through collaboration agreements. The following represent the significant collaboration agreements impacting the periods ended March 31, 2024 and 2023.

### Collaboration with Janssen Biotech, Inc.

In December 2011, Pharmacyclics, a wholly-owned subsidiary of AbbVie, entered into a worldwide collaboration and license agreement with Janssen Biotech, Inc. and its affiliates (Janssen), one of the Janssen Pharmaceutical companies of Johnson & Johnson, for the joint development and commercialization of Imbruvica, a novel, orally active, selective covalent inhibitor of Bruton's tyrosine kinase and certain compounds structurally related to Imbruvica, for oncology and other indications, excluding all immune and inflammatory mediated diseases or conditions and all psychiatric or psychological diseases or conditions, in the United States and outside the United States.

The collaboration provides Janssen with an exclusive license to commercialize Imbruvica outside of the United States and co-exclusively with AbbVie in the United States. Both parties are responsible for the development, manufacturing and marketing of any products generated as a result of the collaboration. The collaboration has no set duration or specific expiration date and provides for potential future development, regulatory and approval milestone payments of up to \$200 million to AbbVie. The collaboration also includes a cost sharing arrangement for associated collaboration activities. Except in certain cases, Janssen is responsible for approximately 60% of collaboration development costs and AbbVie is responsible for the remaining 40% of collaboration development costs.

In the United States, both parties have co-exclusive rights to commercialize the products; however, AbbVie is the principal in the end-customer product sales. AbbVie and Janssen share pre-tax profits and losses equally from the commercialization of products. Sales of Imbruvica are included in AbbVie's net revenues. Janssen's share of profits is included in AbbVie's cost of products sold. Other costs incurred under the collaboration are reported in their respective expense line items, net of Janssen's share.

Outside the United States, Janssen is responsible for and has exclusive rights to commercialize Imbruvica. AbbVie and Janssen share pre-tax profits and losses equally from the commercialization of products. AbbVie's share of profits is included in AbbVie's net revenues. Other costs incurred under the collaboration are reported in their respective expense line items, net of Janssen's share.

The following table shows the profit and cost sharing relationship between Janssen and AbbVie:

| (in millions)  | Three months ended<br>March 31, |        |
|--|---------------------------------|--------|
|  | 2024                            | 2023   |
| United States - Janssen's share of profits (included in cost of products sold) | \$ 283                          | \$ 297 |
| International - AbbVie's share of profits (included in net revenues)           | 228                             | 240    |
| Global - AbbVie's share of other costs (included in respective line items)     | 42                              | 55     |

AbbVie's receivable from Janssen, included in accounts receivable, net, was \$250 million at March 31, 2024 and \$236 million at December 31, 2023. AbbVie's payable to Janssen, included in accounts payable and accrued liabilities, was \$275 million at March 31, 2024 and \$307 million at December 31, 2023.

#### Collaboration with Genentech, Inc.

AbbVie and Genentech, Inc. (Genentech), a member of the Roche Group, are parties to a collaboration and license agreement executed in 2007 to jointly research, develop and commercialize human therapeutic products containing BCL-2 inhibitors and certain other compound inhibitors which includes Venclxeta, a BCL-2 inhibitor used to treat certain hematological malignancies. AbbVie shares equally with Genentech all pre-tax profits and losses from the development and commercialization of Venclxeta in the United States. AbbVie pays royalties on Venclxeta net revenues outside the United States.

AbbVie manufactures and distributes Venclxeta globally and is the principal in the end-customer product sales. Sales of Venclxeta are included in AbbVie's net revenues. Genentech's share of United States profits is included in AbbVie's cost of products sold. AbbVie records sales and marketing costs associated with the United States collaboration as part of SG&A expenses and global development costs as part of research and development (R&D) expenses, net of Genentech's share. Royalties paid for Venclxeta revenues outside the United States are also included in AbbVie's cost of products sold.

The following table shows the profit and cost sharing relationship between Genentech and AbbVie:

| (in millions)  | Three months ended<br>March 31, |        |
|--|---------------------------------|--------|
|  | 2024                            | 2023   |
| Genentech's share of profits, including royalties (included in cost of products sold)  | \$ 227                          | \$ 202 |
| AbbVie's share of sales and marketing costs from U.S. collaboration (included in SG&A) | 9                               | 11     |
| AbbVie's share of development costs (included in R&D)                                  | 19                              | 28     |

## Note 6 Goodwill and Intangible Assets

### Goodwill

The following table summarizes the changes in the carrying amount of goodwill:

| (in millions)                            |    |        |
|--|----|--------|
| Balance as of December 31, 2023          | \$ | 32,293 |
| Additions <sup>(a)</sup>                 |    | 1,249  |
| Foreign currency translation adjustments |    | (116)  |
| Balance as of March 31, 2024             | \$ | 33,426 |

(a) Goodwill additions related to the acquisition of ImmunoGen (see Note 4).

The company performs its annual goodwill impairment assessment in the third quarter, or earlier if impairment indicators exist. As of March 31, 2024, there were no accumulated goodwill impairment losses.

## Intangible Assets, Net

The following table summarizes intangible assets:

| (in millions)                          | March 31, 2024        |                          |                     | December 31, 2023     |                          |                     |
|--|-----------------------|--------------------------|---------------------|-----------------------|--------------------------|---------------------|
|  | Gross carrying amount | Accumulated amortization | Net carrying amount | Gross carrying amount | Accumulated amortization | Net carrying amount |
| Definite-lived intangible assets       |                       |                          |                     |                       |                          |                     |
| Developed product rights               | \$ 82,219             | \$ (24,059)              | \$ 58,160           | \$ 75,142             | \$ (22,455)              | \$ 52,687           |
| License agreements                     | 8,316                 | (5,831)                  | 2,485               | 8,191                 | (5,571)                  | 2,620               |
| Total definite-lived intangible assets | 90,535                | (29,890)                 | 60,645              | 83,333                | (28,026)                 | 55,307              |
| Indefinite-lived intangible assets     | 1,580                 | —                        | 1,580               | 303                   | —                        | 303                 |
| Total intangible assets, net           | \$ 92,115             | \$ (29,890)              | \$ 62,225           | \$ 83,636             | \$ (28,026)              | \$ 55,610           |

### Definite-Lived Intangible Assets

The increase in definite-lived intangible assets during 2024 was primarily due to the acquisition of ImmunoGen. The intangible assets will be amortized using the estimated pattern of economic benefit. Refer to Note 4 for additional information regarding the acquisition.

Amortization expense was \$1.9 billion for the three months ended March 31, 2024 and 2023. Amortization expense was included in cost of products sold in the condensed consolidated statements of earnings.

### Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets represent acquired IPR&D associated with products that have not yet received regulatory approval. The company performs its annual impairment assessment of indefinite-lived intangible assets in the third quarter, or earlier if impairment indicators exist. The increase in indefinite-lived intangible assets during 2024 was primarily due to the acquisition of ImmunoGen. Refer to Note 4 for additional information regarding the acquisition.

During the first quarter of 2023, the company made a decision to revise the research and development plan for AGN-151607, a novel investigational neurotoxin for the prevention of postoperative atrial fibrillation in cardiac surgery patients. This decision contributed to a delay in the estimated timing of regulatory approval as well as a significant decrease in estimated future cash flows of the product and represented a triggering event which required the company to evaluate the underlying indefinite-lived intangible asset for impairment. The company utilized a discounted cash flow analysis to estimate the fair value which was below the carrying value of the intangible asset. Based on the revised cash flows, the company recorded a pre-tax impairment charge of \$630 million to research and development expense in the condensed consolidated statements of earnings for the first quarter of 2023.

## Note 7 Restructuring Plans

AbbVie continuously evaluates its operations to identify opportunities to optimize its manufacturing and R&D operations, commercial infrastructure and administrative costs and to respond to changes in its business environment. As a result, AbbVie management periodically approves individual restructuring plans to achieve these objectives. As of March 31, 2024 and 2023, no such plans were individually significant. Restructuring charges were \$15 million for the three months ended March 31, 2024 and \$27 million for the three months ended March 31, 2023. These charges are recorded in cost of products sold, R&D expense and SG&A expense in the condensed consolidated statements of earnings based on the classification of the affected employees or the related operations.

The following table summarizes the cash activity in the restructuring reserve for the three months ended March 31, 2024:

| (in millions)                           |        |
|---|--------|
| Accrued balance as of December 31, 2023 | \$ 196 |
| Restructuring charges                   | 14     |
| Payments and other adjustments          | (32)   |
| Accrued balance as of March 31, 2024    | \$ 178 |

### Allergan Integration Plan

Following the closing of the Allergan acquisition, AbbVie implemented an integration plan designed to reduce costs, integrate and optimize the combined organization and incurred total cumulative charges of \$2.5 billion through December 31, 2023. These costs consisted of severance and employee benefit costs (cash severance, non-cash severance including accelerated equity award compensation expense, retention and other termination benefits) and other integration expenses. The Allergan integration plan was substantially complete as of December 31, 2023 and the remaining accrual as of March 31, 2024 is not significant.

The following table summarizes the prior year charges associated with the Allergan acquisition integration plan:

| (in millions)                       | Three months ended |    |
|-------------------------------------|--------------------|----|
|                                     | March 31,          |    |
|                                     | 2023               |    |
| Cost of products sold               | \$                 | 14 |
| Research and development            |                    | —  |
| Selling, general and administrative |                    | 44 |
| Total charges                       | \$                 | 58 |

## Note 8 Financial Instruments and Fair Value Measures

### Risk Management Policy

See Note 11 to the company's Annual Report on Form 10-K for the year ended December 31, 2023 for a summary of AbbVie's risk management policy and use of derivative instruments.

### Financial Instruments

Various AbbVie foreign subsidiaries enter into foreign currency forward exchange contracts to manage exposures to changes in foreign exchange rates for anticipated intercompany transactions denominated in a currency other than the functional currency of the local entity. These contracts, with notional amounts totaling \$1.1 billion at March 31, 2024 and \$1.8 billion at December 31, 2023, are designated as cash flow hedges and are recorded at fair value. The durations of these forward exchange contracts were generally less than 18 months. Accumulated gains and losses as of March 31, 2024 are reclassified from accumulated other comprehensive income (loss) (AOCI) and included in cost of products sold at the time the products are sold, generally not exceeding six months from the date of settlement.

In 2019, the company entered into treasury rate lock agreements with notional amounts totaling \$10.0 billion to hedge exposure to variability in future cash flows resulting from changes in interest rates related to the issuance of long-term debt in connection with the acquisition of Allergan. The treasury rate lock agreements were designated as cash flow hedges and recorded at fair value. The agreements were net settled upon issuance of the senior notes in 2019 and the resulting net gain was recognized in AOCI. This gain is reclassified to interest expense, net over the term of the related debt.

The company also enters into foreign currency forward exchange contracts to manage its exposure to foreign currency denominated trade payables and receivables and intercompany loans. These contracts are not designated as hedges and are recorded at fair value. Resulting gains or losses are reflected in net foreign exchange gain or loss in the condensed consolidated statements of earnings and are generally offset by losses or gains on the foreign currency exposure being managed. These contracts had notional amounts totaling \$6.2 billion at March 31, 2024 and \$7.9 billion at December 31, 2023.

The company also uses foreign currency forward exchange contracts or foreign currency denominated debt to hedge its net investments in certain foreign subsidiaries and affiliates. The company had an aggregate principal amount of senior Euro notes designated as net investment hedges of €5.4 billion at March 31, 2024 and December 31, 2023. In addition, the company had foreign currency forward exchange contracts designated as net investment hedges with notional amounts totaling €4.9 billion, SEK1.4 billion, CAD750 million and CHF50 million at March 31, 2024 and December 31, 2023. The company uses the spot method of assessing hedge effectiveness for derivative instruments designated as net investment hedges. Realized and unrealized gains and losses from these hedges are included in AOCI and the initial fair value of hedge components excluded from the assessment of effectiveness is recognized in interest expense, net over the life of the hedging instrument.

The company is a party to interest rate swap contracts designated as fair value hedges with notional amounts totaling \$5.0 billion at March 31, 2024 and December 31, 2023. The effect of the hedge contracts is to change a fixed-rate interest obligation to a floating rate for that portion of the debt. AbbVie records the contracts at fair value and adjusts the carrying amount of the fixed-rate debt by an offsetting amount.

No amounts are excluded from the assessment of effectiveness for cash flow hedges or fair value hedges.

The following table summarizes the amounts and location of AbbVie's derivative instruments on the condensed consolidated balance sheets:

| (in millions)                               | Fair value –<br>Derivatives in asset position |                |                   | Fair value –<br>Derivatives in liability position |                |                   |
|---|---|----------------|-------------------|---|----------------|-------------------|
|   | Balance sheet caption                         | March 31, 2024 | December 31, 2023 | Balance sheet caption                             | March 31, 2024 | December 31, 2023 |
| Foreign currency forward exchange contracts |   |                |                   |   |                |                   |
| Designated as cash flow hedges              | Prepaid expenses and other \$                 | 30 \$          | 12                | Accounts payable and accrued liabilities \$       | 4 \$           | 32                |
| Designated as net investment hedges         | Prepaid expenses and other                    | 53             | 13                | Accounts payable and accrued liabilities          | 38             | 66                |
| Designated as net investment hedges         | Other assets                                  | 6              | —                 | Other long-term liabilities                       | 3              | 69                |
| Not designated as hedges                    | Prepaid expenses and other                    | 10             | 41                | Accounts payable and accrued liabilities          | 25             | 36                |
| Interest rate swap contracts                |   |                |                   |   |                |                   |
| Designated as fair value hedges             | Prepaid expenses and other                    | —              | —                 | Accounts payable and accrued liabilities          | 1              | —                 |
| Designated as fair value hedges             | Other assets                                  | —              | —                 | Other long-term liabilities                       | 357            | 293               |
| Total derivatives                           |   | \$ 99          | \$ 66             |   | \$ 428         | \$ 496            |

While certain derivatives are subject to netting arrangements with the company's counterparties, the company does not offset derivative assets and liabilities within the condensed consolidated balance sheets.

The following table presents the pre-tax amounts of gains (losses) from derivative instruments recognized in other comprehensive loss:

| (in millions)                               | Three months ended<br>March 31, |        |
|---|---------------------------------|--------|
|   | 2024                            | 2023   |
| Foreign currency forward exchange contracts |                                 |        |
| Designated as cash flow hedges              | \$ 55                           | \$ (9) |
| Designated as net investment hedges         | 134                             | (94)   |

Assuming market rates remain constant through contract maturities, the company expects to reclassify pre-tax gains of \$50 million into cost of products sold for foreign currency cash flow hedges and pre-tax gains of \$23 million into interest expense, net for treasury rate lock agreement cash flow hedges during the next 12 months.

Related to AbbVie's non-derivative, foreign currency denominated debt designated as net investment hedges, the company recognized in other comprehensive loss pre-tax gains of \$157 million for the three months ended March 31, 2024 and pre-tax losses of \$162 million for the three months ended March 31, 2023.

The following table summarizes the pre-tax amounts and location of derivative instrument net gains (losses) recognized in the condensed consolidated statements of earnings, including the net gains (losses) reclassified out of AOCI into net earnings. See Note 10 for the amount of net gains (losses) reclassified out of AOCI.

| (in millions)  | Statement of earnings caption | Three months ended<br>March 31, |       |
|--|-------------------------------|---------------------------------|-------|
|  |                               | 2024                            | 2023  |
| Foreign currency forward exchange contracts                  |                               |                                 |       |
| Designated as cash flow hedges                               | Cost of products sold         | \$ 12                           | \$ 30 |
| Designated as net investment hedges                          | Interest expense, net         | 27                              | 28    |
| Not designated as hedges                                     | Net foreign exchange loss     | (18)                            | 30    |
| Treasury rate lock agreements designated as cash flow hedges | Interest expense, net         | 6                               | 6     |
| Interest rate swap contracts                                 |                               |                                 |       |
| Designated as fair value hedges                              | Interest expense, net         | (65)                            | 35    |
| Debt designated as hedged item in fair value hedges          | Interest expense, net         | 65                              | (35)  |

#### Fair Value Measures

The fair value hierarchy consists of the following three levels:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets that the company has the ability to access;
- Level 2 – Valuations based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuations in which all significant inputs are observable in the market; and
- Level 3 – Valuations using significant inputs that are unobservable in the market and include the use of judgment by the company's management about the assumptions market participants would use in pricing the asset or liability.

The following table summarizes the bases used to measure certain assets and liabilities carried at fair value on a recurring basis on the condensed consolidated balance sheet as of March 31, 2024:

| (in millions)                        | Total            | Basis of fair value measurement                                |   |   |
|--------------------------------------|------------------|--|---|---|
|                                      |                  | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Assets</b>                        |                  |  |   |   |
| Cash and equivalents                 | \$ 18,067        | \$ 7,221   | \$ 10,846                                     | \$ —                                      |
| Money market funds and time deposits | 10               | —  | 10  | —   |
| Debt securities                      | 26               | —  | 26  | —   |
| Equity securities                    | 110              | 84   | 26  | —   |
| Foreign currency contracts           | 99               | —  | 99  | —   |
| <b>Total assets</b>                  | <b>\$ 18,312</b> | <b>\$ 7,305</b>  | <b>\$ 11,007</b>                              | <b>\$ —</b>                               |
| <b>Liabilities</b>                   |                  |  |   |   |
| Interest rate swap contracts         | \$ 358           | \$ —   | \$ 358  | \$ —                                      |
| Foreign currency contracts           | 70               | —  | 70  | —   |
| Contingent consideration             | 20,159           | —  | —   | 20,159                                    |
| <b>Total liabilities</b>             | <b>\$ 20,587</b> | <b>\$ —</b>  | <b>\$ 428</b>                                 | <b>\$ 20,159</b>                          |

The following table summarizes the bases used to measure certain assets and liabilities carried at fair value on a recurring basis on the condensed consolidated balance sheet as of December 31, 2023:

| (in millions)                        | Total            | Basis of fair value measurement                                |   |   |
|--------------------------------------|------------------|--|---|---|
|                                      |                  | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Assets</b>                        |                  |  |   |   |
| Cash and equivalents                 | \$ 12,814        | \$ 6,223   | \$ 6,591                                      | \$ —                                      |
| Money market funds and time deposits | 10               | —  | 10  | —   |
| Debt securities                      | 26               | —  | 26  | —   |
| Equity securities                    | 111              | 86   | 25  | —   |
| Foreign currency contracts           | 66               | —  | 66  | —   |
| <b>Total assets</b>                  | <b>\$ 13,027</b> | <b>\$ 6,309</b>  | <b>\$ 6,718</b>                               | <b>\$ —</b>                               |
| <b>Liabilities</b>                   |                  |  |   |   |
| Interest rate swap contracts         | \$ 293           | \$ —   | \$ 293  | \$ —                                      |
| Foreign currency contracts           | 203              | —  | 203   | —   |
| Contingent consideration             | 19,890           | —  | —   | 19,890                                    |
| <b>Total liabilities</b>             | <b>\$ 20,386</b> | <b>\$ —</b>  | <b>\$ 496</b>                                 | <b>\$ 19,890</b>                          |

Money market funds and time deposits are valued using relevant observable market inputs including quoted prices for similar assets and interest rate curves. Equity securities primarily consist of investments for which the fair values were determined by using the published market prices per unit multiplied by the number of units held, without consideration of transaction costs. The derivatives entered into by the company were valued using observable market inputs including published interest rate curves and both forward and spot prices for foreign currencies.

The fair value measurements of the contingent consideration liabilities were determined based on significant unobservable inputs, including the discount rate, estimated probabilities and timing of achieving specified development, regulatory and commercial milestones and the estimated amount of future sales of the acquired products. The potential contingent consideration payments are estimated by applying a probability-weighted expected payment model for contingent milestone payments and a Monte Carlo simulation model for contingent royalty payments, which are then discounted to present value. Changes to the fair value of the contingent consideration liabilities can result from changes to one or a number of inputs, including discount rates, the probabilities of achieving the milestones, the time required to achieve the milestones and estimated future sales. Significant judgment is

employed in determining the appropriateness of certain of these inputs. Changes to the inputs described above could have a material impact on the company's financial position and results of operations in any given period.

The fair value of the company's contingent consideration liabilities was calculated using the following significant unobservable inputs:

|   | March 31, 2024 |                                 | December 31, 2023 |                                 |
|---|----------------|---------------------------------|-------------------|---------------------------------|
|   | Range          | Weighted average <sup>(a)</sup> | Range             | Weighted average <sup>(a)</sup> |
| Discount rate   | 4.6% - 5.8%    | 4.8%                            | 4.3% - 5.9%       | 4.5%                            |
| Probability of payment for royalties by indication <sup>(b)</sup> | 89% - 100%     | 99%                             | 89% - 100%        | 99%                             |
| Projected year of payments  | 2024 - 2034    | 2030                            | 2024 - 2034       | 2027                            |

(a) Unobservable inputs were weighted by the relative fair value of the contingent consideration liabilities.

(b) Excluding approved indications, the estimated probability of payment was 89% at March 31, 2024 and December 31, 2023.

There have been no transfers of assets or liabilities into or out of Level 3 of the fair value hierarchy. The following table presents the changes in fair value of total contingent consideration liabilities which are measured using Level 3 inputs:

| (in millions)                                   | Three months ended March 31, |           |
|---|------------------------------|-----------|
|   | 2024                         | 2023      |
| Beginning balance                               | \$ 19,890                    | \$ 16,384 |
| Change in fair value recognized in net earnings | 660                          | 1,872     |
| Payments  | (391)                        | (325)     |
| Ending balance                                  | \$ 20,159                    | \$ 17,931 |

The change in fair value recognized in net earnings is recorded in other expense, net in the condensed consolidated statements of earnings. Contingent consideration payments of amounts up to the initial acquisition date fair value are classified as cash outflows from financing activities and payments of amounts in excess of the initial acquisition date fair value are classified as cash outflows from operating activities in the condensed consolidated statements of cash flows.

Certain financial instruments are carried at historical cost or some basis other than fair value. The book values, approximate fair values and bases used to measure the approximate fair values of certain financial instruments as of March 31, 2024 are shown in the table below:

| (in millions)  | Book value | Approximate fair value | Basis of fair value measurement                                |   |   |
|--|------------|------------------------|--|---|---|
|  |            |                        | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Liabilities</b>   |            |                        |  |   |   |
| Short-term borrowings  | \$ 3       | \$ 3                   | \$ —   | \$ 3  | \$ —                                      |
| Current portion of long-term debt and finance lease obligations, excluding fair value hedges | 10,194     | 10,021                 | 9,687  | 334   | —   |
| Long-term debt and finance lease obligations, excluding fair value hedges                    | 64,140     | 60,887                 | 60,469   | 418   | —   |
| Total liabilities  | \$ 74,337  | \$ 70,911              | \$ 70,156  | \$ 755  | \$ —                                      |

The book values, approximate fair values and bases used to measure the approximate fair values of certain financial instruments as of December 31, 2023 are shown in the table below:

| (in millions)  | Book value       | Approximate fair value | Basis of fair value measurement                                |   |   |
|--|------------------|------------------------|--|---|---|
|  |                  |                        | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| <b>Liabilities</b>   |                  |                        |  |   |   |
| Current portion of long-term debt and finance lease obligations, excluding fair value hedges | \$ 7,191         | \$ 7,069               | \$ 6,862   | \$ 207  | \$ —                                      |
| Long-term debt and finance lease obligations, excluding fair value hedges                    | 52,460           | 49,541                 | 48,983   | 558   | —   |
| <b>Total liabilities</b>   | <b>\$ 59,651</b> | <b>\$ 56,610</b>       | <b>\$ 55,845</b>   | <b>\$ 765</b>                                 | <b>\$ —</b>                               |

AbbVie also holds investments in equity securities that do not have readily determinable fair values. The company records these investments at cost and remeasures them to fair value based on certain observable price changes or impairment events as they occur. The carrying amount of these investments was \$161 million as of March 31, 2024 and \$159 million as of December 31, 2023. No significant cumulative upward or downward adjustments have been recorded for these investments as of March 31, 2024.

#### Concentrations of Risk

Of total net accounts receivable, three U.S. wholesalers accounted for 79% as of March 31, 2024 and 81% as of December 31, 2023, and substantially all of AbbVie's pharmaceutical product net revenues in the United States were to these three wholesalers.

#### Debt and Credit Facilities

##### Financing Related to ImmunoGen and Cerevel Therapeutics Acquisitions

In connection with the acquisition of ImmunoGen and proposed acquisition of Cerevel Therapeutics, in February, 2024, the company issued \$15.0 billion aggregate principal amount of unsecured senior notes. The notes are unsecured, unsubordinated obligations of AbbVie and will rank equally in right of payment with all of AbbVie's existing and future unsecured, unsubordinated indebtedness, liabilities and other obligations. AbbVie may redeem the fixed-rate senior notes prior to maturity at a redemption price equal to the greater of the principal amount or the sum of present values of the remaining scheduled payments of principal and interest on the fixed-rate senior notes to be redeemed plus a make-whole premium. AbbVie may also redeem the fixed-rate senior notes at par between one and six months prior to maturity. In connection with the offering, debt issuance costs incurred totaled \$99 million and debt discounts totaled \$37 million, which are being amortized over the respective terms of the notes to interest expense, net in the condensed consolidated statements of earnings.

AbbVie used the net proceeds received from the issuance of the notes to finance the acquisition of ImmunoGen, repay its term-loan, repay commercial paper borrowings, pay fees and expenses in respect of the foregoing, finance general corporate purposes and expects, together with cash on hand, to fund AbbVie's proposed acquisition of Cerevel Therapeutics. See Note 4 for additional information.

The following table summarizes issued debt in connection with the acquisition of ImmunoGen and proposed acquisition of Cerevel Therapeutics:

March 31, 2024

| (in millions)                   |           |
|---------------------------------|-----------|
| <b>Senior Notes</b>             |           |
| 4.80% Senior Notes due 2027     | \$ 2,250  |
| 4.80% Senior Notes due 2029     | 2,500     |
| 4.95% Senior Notes due 2031     | 2,000     |
| 5.05% Senior Notes due 2034     | 3,000     |
| 5.35% Senior Notes due 2044     | 750       |
| 5.40% Senior Notes due 2054     | 3,000     |
| 5.50% Senior Notes due 2064     | 1,500     |
| Total acquired debt outstanding | \$ 15,000 |

In December 2023, AbbVie entered into a \$9.0 billion 364-day bridge credit agreement and \$5.0 billion 364-day term loan credit agreement. In February, 2024, AbbVie borrowed and repaid \$5.0 billion under the term loan credit agreement. Interest charged on this borrowing was based on Secured Overnight Financing Rate Reference Rate (SOFR) +0.975% with an effective interest rate of 6.29%. Subsequent to the \$15.0 billion issuance of senior notes, AbbVie terminated both the bridge and term loan credit agreements in the first quarter of 2024. In February 2024, concurrent with the acquisition, the company assumed and repaid an ImmunoGen senior secured term loan at a fair value of \$99 million.

#### *Long-Term Debt Repayments*

In January 2023, the company repaid a \$1.0 billion floating rate three-year term loan that was scheduled to mature in May 2023. In March 2023, the company repaid a \$350 million aggregate principal amount of 2.80% senior notes at maturity.

#### *Short-Term Borrowings*

During the three months ended March 31, 2024, the company issued and redeemed \$1.7 billion of commercial paper. There were no commercial paper borrowings outstanding as of March 31, 2024 and December 31, 2023. The weighted average interest rate on commercial paper borrowings was 5.54% for the three months ended March 31, 2024.

In March 2023, AbbVie entered into an amended and restated five-year revolving credit facility. The amendment increased the unsecured revolving credit facility commitments from \$4.0 billion to \$5.0 billion and extended the maturity date of the facility from August 2023 to March 2028. This amended facility enables the company to borrow funds on an unsecured basis at variable interest rates and contains various covenants. At March 31, 2024, the company was in compliance with all covenants, and commitment fees under the credit facility were insignificant. No amounts were outstanding under the company's credit facilities as of March 31, 2024 and December 31, 2023.

## Note 9 Post-Employment Benefits

The following table summarizes net periodic benefit cost relating to the company's defined benefit and other post-employment plans:

| (in millions)                        | Defined benefit plans        |        | Other post-employment plans  |       |
|--------------------------------------|------------------------------|--------|------------------------------|-------|
|                                      | Three months ended March 31, |        | Three months ended March 31, |       |
|                                      | 2024                         | 2023   | 2024                         | 2023  |
| Service cost                         | \$ 72                        | \$ 68  | \$ 11                        | \$ 8  |
| Interest cost                        | 113                          | 107    | 10                           | 9     |
| Expected return on plan assets       | (197)                        | (180)  | —                            | —     |
| Amortization of prior service credit | —                            | —      | (9)                          | (9)   |
| Amortization of actuarial loss       | 13                           | 4      | 4                            | 3     |
| Net periodic benefit cost            | \$ 1                         | \$ (1) | \$ 16                        | \$ 11 |

The components of net periodic benefit cost other than service cost are included in other expense, net in the condensed consolidated statements of earnings.

## Note 10 Equity

### Stock-Based Compensation

Stock-based compensation expense is principally related to awards issued pursuant to the AbbVie 2013 Incentive Stock Program and the AbbVie Amended and Restated 2013 Incentive Stock Program and is summarized as follows:

| (in millions)                       | Three months ended March 31, |        |
|-------------------------------------|------------------------------|--------|
|                                     | 2024                         | 2023   |
| Cost of products sold               | \$ 22                        | \$ 20  |
| Research and development            | 133                          | 117    |
| Selling, general and administrative | 193                          | 176    |
| Pre-tax compensation expense        | 348                          | 313    |
| Tax benefit                         | 60                           | 55     |
| After-tax compensation expense      | \$ 288                       | \$ 258 |

In addition to stock-based compensation expense included in the table above and in connection with the acquisition of ImmunoGen, AbbVie incurred \$349 million of cash-settled, post-closing expense for ImmunoGen employee incentive awards, of which \$192 million was recorded in SG&A expenses, \$126 million was recorded in R&D expenses and \$31 million was recorded in cost of products sold in the condensed consolidated statements of earnings for the three months ended March 31, 2024. Refer to Note 4 for additional information regarding the ImmunoGen acquisition.

### Stock Options

During the three months ended March 31, 2024, primarily in connection with the company's annual grant, AbbVie granted 0.6 million stock options with a weighted-average grant-date fair value of \$31.53. As of March 31, 2024, \$11 million of unrecognized compensation cost related to stock options is expected to be recognized as expense over approximately the next two years.

### RSUs and Performance Shares

During the three months ended March 31, 2024, primarily in connection with the company's annual grant, AbbVie granted 4.9 million RSUs and performance shares with a weighted-average grant-date fair value of \$175.97. In connection with the ImmunoGen acquisition, during the first quarter of 2024, AbbVie issued 0.3 million RSUs to holders of ImmunoGen equity awards based on a conversion factor described in the transaction agreement. Refer to Note 4 for additional information regarding the ImmunoGen acquisition. As of March 31, 2024, \$967 million of unrecognized compensation cost related to RSUs and performance shares is expected to be recognized as expense over approximately the next two years.

## Cash Dividends

The following table summarizes quarterly cash dividends declared during 2024 and 2023:

| 2024          |              |                    | 2023          |              |                    |
|---------------|--------------|--------------------|---------------|--------------|--------------------|
| Date Declared | Payment Date | Dividend Per Share | Date Declared | Payment Date | Dividend Per Share |
| 02/15/24      | 05/15/24     | \$ 1.55            | 10/26/23      | 02/15/24     | \$ 1.55            |
|               |              |                    | 09/08/23      | 11/15/23     | \$ 1.48            |
|               |              |                    | 06/22/23      | 08/15/23     | \$ 1.48            |
|               |              |                    | 02/16/23      | 05/15/23     | \$ 1.48            |

## Stock Repurchase Program

The company's stock repurchase authorization permits purchases of AbbVie shares from time to time in open-market or private transactions at management's discretion. The program has no time limit and can be discontinued at any time. Shares repurchased under this program are recorded at acquisition cost, including related expenses, and are available for general corporate purposes.

On February 16, 2023, AbbVie's board of directors authorized a \$5.0 billion increase to the existing stock repurchase authorization. AbbVie repurchased 5 million shares for \$959 million during the three months ended March 31, 2024 and 10 million shares for \$1.6 billion during the three months ended March 31, 2023. AbbVie's remaining stock repurchase authorization was approximately \$3.9 billion as of March 31, 2024.

## Accumulated Other Comprehensive Loss

The following table summarizes the changes in each component of accumulated other comprehensive loss, net of tax, for the three months ended March 31, 2024:

| (in millions)   | Foreign currency translation adjustments | Net investment hedging activities | Pension and post-employment benefits | Cash flow hedging activities | Total      |
|---|--|-----------------------------------|--------------------------------------|------------------------------|------------|
| Balance as of December 31, 2023   | \$ (1,106)                               | \$ 65                             | \$ (1,488)                           | \$ 224                       | \$ (2,305) |
| Other comprehensive income (loss) before reclassifications                | (396)                                    | 228                               | 3                                    | 44                           | (121)      |
| Net losses (gains) reclassified from accumulated other comprehensive loss | —  | (21)                              | 7                                    | (14)                         | (28)       |
| Net current-period other comprehensive income (loss)                      | (396)                                    | 207                               | 10                                   | 30                           | (149)      |
| Balance as of March 31, 2024  | \$ (1,502)                               | \$ 272                            | \$ (1,478)                           | \$ 254                       | \$ (2,454) |

Other comprehensive loss for the three months ended March 31, 2024 included foreign currency translation adjustments totaling a loss of \$396 million principally due to the impact of the weakening of the Euro on the translation of the company's Euro-denominated assets and the offsetting impact of net investment hedging activities totaling a gain of \$207 million.

The following table summarizes the changes in each component of accumulated other comprehensive loss, net of tax, for the three months ended March 31, 2023:

| (in millions)  | Foreign currency translation adjustments | Net investment hedging activities | Pension and post-employment benefits | Cash flow hedging activities | Total      |
|--|--|-----------------------------------|--------------------------------------|------------------------------|------------|
| Balance as of December 31, 2022                                  | \$ (1,513)                               | \$ 464                            | \$ (1,458)                           | \$ 308                       | \$ (2,199) |
| Other comprehensive income (loss) before reclassifications       | 194                                      | (202)                             | 40                                   | (10)                         | 22         |
| Net gains reclassified from accumulated other comprehensive loss | —  | (22)                              | (2)                                  | (31)                         | (55)       |
| Net current-period other comprehensive income (loss)             | 194                                      | (224)                             | 38                                   | (41)                         | (33)       |
| Balance as of March 31, 2023                                     | \$ (1,319)                               | \$ 240                            | \$ (1,420)                           | \$ 267                       | \$ (2,232) |

Other comprehensive loss for the three months ended March 31, 2023 included foreign currency translation adjustments totaling a gain of \$194 million principally due to the impact of the strengthening of the Euro on the translation of the company's Euro-denominated assets and the offsetting impact of net investment hedging activities totaling a loss of \$224 million.

The following table presents the impact on AbbVie's condensed consolidated statements of earnings for significant amounts reclassified out of each component of accumulated other comprehensive loss:

| (in millions) (brackets denote gains)   | Three months ended<br>March 31, |                |
|---|---------------------------------|----------------|
|   | 2024                            | 2023           |
| <b>Net investment hedging activities</b>                                      |                                 |                |
| Gains on derivative amount excluded from effectiveness testing <sup>(a)</sup> | \$ (27)                         | \$ (28)        |
| Tax expense   | 6                               | 6              |
| <b>Total reclassifications, net of tax</b>                                    | <b>\$ (21)</b>                  | <b>\$ (22)</b> |
| <b>Pension and post-employment benefits</b>                                   |                                 |                |
| Amortization of actuarial losses (gains) and other <sup>(b)</sup>             | \$ 8                            | \$ (2)         |
| Tax benefit   | (1)                             | —              |
| <b>Total reclassifications, net of tax</b>                                    | <b>\$ 7</b>                     | <b>\$ (2)</b>  |
| <b>Cash flow hedging activities</b>   |                                 |                |
| Gains on foreign currency forward exchange contracts <sup>(c)</sup>           | \$ (12)                         | \$ (30)        |
| Gains on treasury rate lock agreements <sup>(a)</sup>                         | (6)                             | (6)            |
| Tax expense   | 4                               | 5              |
| <b>Total reclassifications, net of tax</b>                                    | <b>\$ (14)</b>                  | <b>\$ (31)</b> |

(a) Amounts are included in interest expense, net (see Note 8).

(b) Amounts are included in the computation of net periodic benefit cost (see Note 9).

(c) Amounts are included in cost of products sold (see Note 8).

### Note 11 Income Taxes

The effective tax rate was 22% for the three months ended March 31, 2024 compared to 49% for the three months ended March 31, 2023. The effective tax rate in each period differed from the U.S. statutory tax rate of 21% principally due to the impact of foreign operations which reflects the impact of lower income tax rates in locations outside the United States, changes in fair value of contingent consideration and business development activities, including ImmunoGen acquisition-related costs. The decrease in the effective tax rate for the three months ended March 31, 2024 over the prior year was primarily due to changes in fair value of contingent consideration and impairment of certain intangible assets in the prior year.

It is reasonably possible that the company's gross unrecognized tax benefits balance may change within the next 12 months by up to \$162 million. The company has various federal, state and foreign examinations ongoing. Finalizing examinations with the relevant taxing authorities can include formal administrative and legal proceedings, and as a result, we cannot reasonably estimate the timing of resolution for certain unrecognized tax benefits.

### Note 12 Legal Proceedings and Contingencies

AbbVie is subject to contingencies, such as various claims, legal proceedings and investigations regarding product liability, intellectual property, commercial, securities and other matters that arise in the normal course of business. The most significant matters are described below. Loss contingency provisions are recorded for probable losses at management's best estimate of a loss, or when a best estimate cannot be made, a minimum loss contingency amount within a probable range is recorded. For litigation matters discussed below for which a loss is probable or reasonably possible, the company is unable to estimate the possible loss or range of loss, if any, beyond the amounts accrued. Initiation of new legal proceedings or a change in the status of existing proceedings may result in a change in the estimated loss accrued by AbbVie. While it is not feasible to predict the outcome of all proceedings and exposures with certainty, management believes that their ultimate disposition should not have a material adverse effect on AbbVie's consolidated financial position, results of operations or cash flows.

Subject to certain exceptions specified in the separation agreement by and between Abbott Laboratories (Abbott) and AbbVie, AbbVie assumed the liability for, and control of, all pending and threatened legal matters related to its business, including liabilities for any claims or legal proceedings related to products that had been part of its business, but were discontinued prior to the distribution, as well as assumed or retained liabilities, and will indemnify Abbott for any liability arising out of or resulting from such assumed legal matters.

## Antitrust Litigation

Lawsuits are pending against AbbVie and others generally alleging that the 2005 patent litigation settlement involving Niaspan entered into between Kos Pharmaceuticals, Inc. (a company acquired by Abbott in 2006 and presently a subsidiary of AbbVie) and a generic company violated federal and state antitrust laws and state unfair and deceptive trade practices and unjust enrichment laws. Plaintiffs generally seek monetary damages and/or injunctive relief and attorneys' fees. The lawsuits pending in federal court consist of six individual plaintiff lawsuits and a certified class action by Niaspan direct purchasers. The cases are pending in the United States District Court for the Eastern District of Pennsylvania for coordinated or consolidated pre-trial proceedings under the MDL Rules as In re: Niaspan Antitrust Litigation, MDL No. 2460. In October 2016, the Orange County, California District Attorney's Office filed a lawsuit on behalf of the State of California regarding the Niaspan patent litigation settlement in Orange County Superior Court, asserting a claim under the unfair competition provision of the California Business and Professions Code seeking injunctive relief, restitution, civil penalties and attorneys' fees.

In August 2019, direct purchasers of AndroGel filed a lawsuit, King Drug Co. of Florence, Inc., et al. v. AbbVie Inc., et al., against AbbVie and others in the United States District Court for the Eastern District of Pennsylvania, alleging that 2006 patent litigation settlements and related agreements by Solvay Pharmaceuticals, Inc. (a company Abbott acquired in February 2010 and now known as AbbVie Products LLC) with three generic companies violated federal antitrust law, and also alleging that 2011 patent litigation by Abbott with two generic companies regarding AndroGel was sham litigation and the settlements of those litigations violated federal antitrust law. Plaintiffs generally seek monetary damages and/or injunctive relief and attorneys' fees. In November 2022, the State of Oregon filed a lawsuit in the Multnomah County, Oregon Circuit Court making similar allegations regarding the 2011 patent litigation with one of the generic companies.

Lawsuits were filed against Forest Laboratories, LLC and others generally alleging that 2012 and 2013 patent litigation settlements involving Bystolic with six generic manufacturers violated federal and state antitrust laws and state unfair and deceptive trade practices and unjust enrichment laws. Plaintiffs generally seek monetary damages and/or injunctive relief and attorneys' fees. The lawsuits, purported class actions filed on behalf of direct and indirect purchasers of Bystolic, were consolidated as In re: Bystolic Antitrust Litigation in the United States District Court for the Southern District of New York. In February 2023, the court granted Forest Laboratories' motion to dismiss the cases, dismissing them with prejudice. Plaintiffs are appealing the court's motion to dismiss ruling.

## Government Proceedings

Lawsuits are pending against Allergan and several other manufacturers generally alleging that they improperly promoted and sold prescription opioid products. Approximately 580 lawsuits are pending against Allergan in federal and state courts. Most of the federal court lawsuits are consolidated for pre-trial purposes in the United States District Court for the Northern District of Ohio under the MDL rules as In re: National Prescription Opiate Litigation, MDL No. 2804. Approximately 130 of the lawsuits are pending in various state courts. The plaintiffs in these lawsuits, which include states, counties, cities, other municipal entities, Native American tribes, union trust funds and other third-party payors, private hospitals and personal injury claimants, generally seek compensatory and punitive damages. Of these approximately 580 lawsuits, approximately 165 of them are brought by states, counties, cities, and other municipal entities, approximately 125 of which are in the process of being dismissed pursuant to the previously announced settlement for which AbbVie recorded a charge of \$2.1 billion to selling, general and administrative expense in the consolidated statement of earnings in the second quarter of 2022.

In March 2023, AbbVie Inc. filed a petition in the United States Tax Court, AbbVie Inc. and Subsidiaries v. Commissioner of Internal Revenue. The petition disputes the Internal Revenue Service determination concerning a \$572 million income tax benefit recorded in 2014 related to a payment made to a third party for the termination of a proposed business combination.

## Shareholder and Securities Litigation

In October 2018, a federal securities lawsuit, Holwill v. AbbVie Inc., et al., was filed in the United States District Court for the Northern District of Illinois against AbbVie, its chief executive officer and former chief financial officer, alleging that reasons stated for Humira sales growth in financial filings between 2013 and 2018 were misleading because they omitted alleged misconduct in connection with Humira patient and reimbursement support services and other services and items of value that allegedly induced Humira prescriptions. In September 2021, the court granted plaintiffs' motion to certify a class.

Lawsuits were filed against Allergan and certain of its former officers alleging they made misrepresentations and omissions regarding Allergan's textured breast implants. The lawsuits, which were filed by Allergan shareholders, have been consolidated in the United States District Court for the Southern District of New York as In re: Allergan plc Securities Litigation. The plaintiffs generally seek compensatory damages and attorneys' fees. In September 2019, the court partially granted Allergan's motion to dismiss. In September 2021, the court granted plaintiffs' motion to certify a class. In December 2022, the court granted Allergan's motion for

summary judgment on the remaining claims, dismissing them with prejudice. In February 2024, the United States Court of Appeals for the Second Circuit affirmed the district court's dismissals.

In May and July 2022, two shareholder derivative lawsuits, Treppel Family Trust v. Gonzalez et al., and Katcher v. Gonzalez, et al., were filed in the United States District Court for the Northern District of Illinois, alleging that certain AbbVie directors and officers breached fiduciary and other legal duties in making or allowing alleged misstatements regarding the potential effect that safety information about another company's product would have on the Food and Drug Administration's approval and labeling for AbbVie's Rinvoq.

#### Product Liability and General Litigation

In April 2023, a putative class action lawsuit, Camargo v. AbbVie Inc., was filed in the United States District Court for the Northern District of Illinois on behalf of Humira patients who paid for Humira based on its list price or who, after losing insurance coverage, discontinued Humira because they could not pay based on its list price, alleging that Humira's list price is excessive in violation of multiple states' unfair and deceptive trade practices statutes. The plaintiff generally seeks monetary damages, injunctive relief, and attorneys' fees.

In 2018, a qui tam lawsuit, U.S. ex rel. Silbersher v. Allergan Inc., et al., was filed in the United States District Court for the Northern District of California against several Allergan entities and others, alleging that their conduct before the U.S. Patent Office resulted in false claims for payment being made to federal and state healthcare payors for Namenda XR and Namzaric. The plaintiff-relator sought damages and attorneys' fees under the federal False Claims Act and state law analogues. The federal government and state governments declined to intervene in the lawsuit. In March 2023, the court granted Allergan's motion to dismiss, dismissing plaintiff-relator's federal law claims with prejudice and state law claims without prejudice. The plaintiff-relator is appealing the court's motion to dismiss ruling.

#### Intellectual Property Litigation

AbbVie Inc. is seeking to enforce patent rights relating to venetoclax (a drug sold under the trademark Venclexta). Litigation was filed in the United States District Court for the District of Delaware in July 2020 against Dr. Reddy's Laboratories, Ltd. and Dr. Reddy's Laboratories, Inc.; and Alembic Pharmaceuticals Ltd., Alembic Pharmaceuticals, Inc., and Alembic Global Holdings SA. AbbVie alleges defendants' proposed generic venetoclax products infringe certain patents and seeks declaratory and injunctive relief. Genentech, Inc., which is in a global collaboration with AbbVie concerning the development and marketing of Venclexta, is the co-plaintiff in this suit.

AbbVie Inc. is seeking to enforce patent rights relating to upadacitinib (a drug sold under the trademark Rinvoq). Litigation was filed in the United States District Court for the District of Delaware in November 2023 against Hetero USA, Inc., Hetero Labs Limited, Hetero Labs Limited Unit-V, Aurobindo Pharma USA, Inc., Aurobindo Pharma Ltd., Sandoz, Inc. Sandoz Private Limited, Sandoz GMBH, Intas Pharmaceuticals Ltd., Accord Healthcare, Inc., and Sun Pharmaceutical Industries, Ltd. AbbVie alleges defendants' proposed generic upadacitinib products infringe certain patents and seeks declaratory and injunctive relief.

AbbVie Inc. is seeking to enforce patent rights related to ubrogepant (a drug sold under the trademark Ubrovelvy). Litigation was filed in the United States District Court for the District of New Jersey in March 2024 against Aurobindo Pharma U.S.A., Inc., Aurobindo Pharma Limited, and Apitoria Pharma Private Limited; Zydus Pharmaceuticals (USA) Inc. and Zydus Lifesciences Limited; MSN Pharmaceuticals Inc., MSN Laboratories Private Limited, and MSN Life Sciences Private Limited; and Hetero USA Inc., Hetero Labs Limited Unit-III, and Hetero Labs Limited. AbbVie alleges defendants' proposed generic ubrogepant products infringe certain patents and seeks declaratory and injunctive relief. Merck Sharp & Dohme LLC, which exclusively licenses certain patents to AbbVie, is a co-plaintiff in the litigation.

## Note 13 Segment Information

AbbVie operates as a single global business segment dedicated to the research and development, manufacturing, commercialization and sale of innovative medicines and therapies. This operating structure enables the Chief Executive Officer, as chief operating decision maker (CODM), to allocate resources and assess business performance on a global basis in order to achieve established long-term strategic goals. Consistent with this structure, a global research and development and supply chain organization is responsible for the discovery, manufacturing and supply of products. Commercial efforts that coordinate the marketing, sales and distribution of these products are organized by geographic region or therapeutic area. All of these activities are supported by a global corporate administrative staff. The determination of a single business segment is consistent with the consolidated financial information regularly reviewed by the CODM for purposes of assessing performance, allocating resources and planning and forecasting future periods.

The following table details AbbVie's worldwide net revenues:

| (in millions)          |                        | Three months ended |                |
|------------------------|------------------------|--------------------|----------------|
|                        |                        | 2024               | March 31, 2023 |
| <b>Immunology</b>      |                        |                    |                |
| Humira                 | United States          | \$ 1,771           | \$ 2,948       |
|                        | International          | 499                | 593            |
|                        | Total                  | \$ 2,270           | \$ 3,541       |
| Skyrizi                | United States          | \$ 1,656           | \$ 1,139       |
|                        | International          | 352                | 221            |
|                        | Total                  | \$ 2,008           | \$ 1,360       |
| Rinvoq                 | United States          | \$ 725             | \$ 449         |
|                        | International          | 368                | 237            |
|                        | Total                  | \$ 1,093           | \$ 686         |
| <b>Oncology</b>        |                        |                    |                |
| Imbruvica              | United States          | \$ 610             | \$ 638         |
|                        | Collaboration revenues | 228                | 240            |
|                        | Total                  | \$ 838             | \$ 878         |
| Venclexta              | United States          | \$ 281             | \$ 265         |
|                        | International          | 333                | 273            |
|                        | Total                  | \$ 614             | \$ 538         |
| Elahere <sup>(a)</sup> | United States          | \$ 64              | \$ —           |
| Epkinly                | Collaboration Revenues | \$ 22              | \$ —           |
|                        | International          | 5                  | —              |
|                        | Total                  | \$ 27              | \$ —           |
| <b>Aesthetics</b>      |                        |                    |                |
| Botox Cosmetic         | United States          | \$ 389             | \$ 409         |
|                        | International          | 244                | 250            |
|                        | Total                  | \$ 633             | \$ 659         |
| Juvederm Collection    | United States          | \$ 106             | \$ 122         |
|                        | International          | 191                | 233            |
|                        | Total                  | \$ 297             | \$ 355         |
| Other Aesthetics       | United States          | \$ 281             | \$ 246         |
|                        | International          | 38                 | 40             |
|                        | Total                  | \$ 319             | \$ 286         |
| <b>Neuroscience</b>    |                        |                    |                |
| Botox Therapeutic      | United States          | \$ 611             | \$ 587         |
|                        | International          | 137                | 132            |
|                        | Total                  | \$ 748             | \$ 719         |
| Vraylar                | United States          | \$ 692             | \$ 560         |
|                        | International          | 2                  | 1              |
|                        | Total                  | \$ 694             | \$ 561         |

| (in millions)             |               | Three months ended |                  |
|---------------------------|---------------|--------------------|------------------|
|                           |               | 2024               | March 31, 2023   |
| Duodopa                   | United States | \$ 25              | \$ 25            |
|                           | International | 90                 | 93               |
|                           | Total         | \$ 115             | \$ 118           |
| Ubrelyv                   | United States | \$ 197             | \$ 150           |
|                           | International | 6                  | 2                |
|                           | Total         | \$ 203             | \$ 152           |
| Qulipta                   | United States | \$ 128             | \$ 66            |
|                           | International | 3                  | —                |
|                           | Total         | \$ 131             | \$ 66            |
| Other Neuroscience        | United States | \$ 61              | \$ 75            |
|                           | International | 13                 | 4                |
|                           | Total         | \$ 74              | \$ 79            |
| <b>Eye Care</b>           |               |                    |                  |
| Ozurdex                   | United States | \$ 34              | \$ 39            |
|                           | International | 97                 | 76               |
|                           | Total         | 131                | 115              |
| Lumigan/Ganfort           | United States | \$ 29              | \$ 63            |
|                           | International | 62                 | 67               |
|                           | Total         | \$ 91              | \$ 130           |
| Alphagan/Combigan         | United States | \$ 15              | \$ 28            |
|                           | International | 44                 | 43               |
|                           | Total         | \$ 59              | \$ 71            |
| Restasis                  | United States | \$ 44              | \$ 79            |
|                           | International | 13                 | 13               |
|                           | Total         | \$ 57              | \$ 92            |
| Other Eye Care            | United States | \$ 105             | \$ 110           |
|                           | International | 95                 | 90               |
|                           | Total         | \$ 200             | \$ 200           |
| <b>Other Key Products</b> |               |                    |                  |
| Mavyret                   | United States | \$ 144             | \$ 171           |
|                           | International | 205                | 193              |
|                           | Total         | \$ 349             | \$ 364           |
| Creon                     | United States | \$ 285             | \$ 305           |
| Linzess/Constella         | United States | \$ 257             | \$ 251           |
|                           | International | 9                  | 8                |
|                           | Total         | \$ 266             | \$ 259           |
| All other                 |               | \$ 744             | \$ 691           |
| <b>Total net revenues</b> |               | <b>\$ 12,310</b>   | <b>\$ 12,225</b> |

(a) Net revenues include ImmunoGen product revenues after the acquisition closing date of February 12, 2024.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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The following is a discussion and analysis of the financial condition of AbbVie Inc. (AbbVie or the company) as of March 31, 2024 and December 31, 2023 and the results of operations for the three months ended March 31, 2024 and 2023. This commentary should be read in conjunction with the Condensed Consolidated Financial Statements and accompanying notes appearing in Item 1, "Financial Statements and Supplementary Data."

### EXECUTIVE OVERVIEW

#### Company Overview

AbbVie is a global, diversified research-based biopharmaceutical company positioned for success with a comprehensive product portfolio that has leadership positions across immunology, oncology, aesthetics, neuroscience and eye care. AbbVie uses its expertise, dedicated people and unique approach to innovation to develop and market advanced therapies that address some of the world's most complex and serious diseases.

On February 20, 2024, AbbVie announced Robert A. Michael, AbbVie's current president and chief operating officer, will succeed Richard A. Gonzalez as the company's chief executive officer (CEO). Mr. Gonzalez, who has served as CEO since the company's formation in 2013, will retire from the role of CEO and become executive chairman of the board of directors, effective July 1, 2024. Additionally, the board has appointed Mr. Michael as a member of the board of directors effective July 1, 2024.

On February 12, 2024, AbbVie completed the acquisition of ImmunoGen, Inc. (ImmunoGen). The acquisition of ImmunoGen further builds on AbbVie's existing solid tumor pipeline of novel targeted therapies and next-generation immuno-oncology assets, which have the potential to create new treatment possibilities across multiple solid tumors and hematologic malignancies. AbbVie and ImmunoGen's combined capabilities represent an opportunity to deliver potentially transformative antibody-drug conjugate (ADC) therapies to patients. See Note 4 to the Condensed Consolidated Financial Statements for additional information on the acquisition. Subsequent to the acquisition date, AbbVie's consolidated financial statements include the assets, liabilities, operating results and cash flows of ImmunoGen.

AbbVie's products are generally sold worldwide directly to wholesalers, distributors, government agencies, health care facilities, specialty pharmacies and independent retailers from AbbVie-owned distribution centers and public warehouses. Certain products (including aesthetic products and devices) are also sold directly to physicians and other licensed healthcare providers. In the United States, AbbVie distributes pharmaceutical products principally through independent wholesale distributors, with some sales directly to retailers, pharmacies, patients or other customers. Outside the United States, AbbVie sells products primarily to wholesalers or through distributors, and depending on the market works through largely centralized national payers system to agree on reimbursement terms. Certain products are co-marketed or co-promoted with other companies. AbbVie operates as a single global business segment and has approximately 50,000 employees.

#### 2024 Strategic Objectives

AbbVie's mission is to discover and develop innovative medicines and products that solve serious health issues today and address the medical challenges of tomorrow while achieving top-tier financial performance through outstanding execution. AbbVie intends to execute its strategy and advance its mission in a number of ways, including: (i) maximizing the benefits of a diversified revenue base with multiple long-term growth drivers; (ii) leveraging AbbVie's commercial strength and international infrastructure across therapeutic areas and ensuring strong commercial execution of new product launches; (iii) continuing to invest in and expand its pipeline in support of opportunities in immunology, oncology, aesthetics, neuroscience and eye care as well as continued investment in key on-market products; (iv) generating substantial operating cash flows to support investment in innovative research and development, and return cash to shareholders via a strong and growing dividend while also continuing to repay debt. In addition, AbbVie anticipates several regulatory submissions and data readouts from key clinical trials in the next 12 months.

#### Financial Results

The company's financial performance for the three months ended March 31, 2024 included delivering worldwide net revenues of \$12.3 billion, operating earnings of \$2.8 billion, diluted earnings per share of \$0.77 and cash flows from operations of \$4.0 billion. Worldwide net revenues increased 1% on a reported basis and 2% on a constant currency basis.

Diluted earnings per share was \$0.77 for the three months ended March 31, 2024 and included the following after-tax costs: (i) \$1.6 billion related to the amortization of intangible assets; (ii) \$643 million for the change in fair value of contingent

consideration liabilities; and (iii) \$486 million of acquisition and integration expenses. Additionally, financial results reflected continued funding to support all stages of AbbVie's pipeline assets and continued investment in AbbVie's on-market brands.

## Research and Development

Research and innovation are the cornerstones of AbbVie's business as a global biopharmaceutical company. AbbVie's long-term success depends to a great extent on its ability to continue to discover and develop innovative products and acquire or collaborate on compounds currently in development by other biotechnology or pharmaceutical companies.

AbbVie's pipeline currently includes approximately 90 compounds, devices or indications in development individually or under collaboration or license agreements and is focused on such important specialties as immunology, oncology, aesthetics, neuroscience and eye care. Of these programs, approximately 50 are in mid- and late-stage development.

The following sections summarize transitions of significant programs from mid-stage development to late-stage development as well as developments in significant late-stage and registration programs. AbbVie expects multiple mid-stage programs to transition into late-stage programs in the next 12 months.

### Significant Programs and Developments

#### Immunology

##### Rinvoq

- In January 2024, AbbVie initiated a Phase 3 study to evaluate Rinvoq in adults and adolescents with non-segmental vitiligo who are eligible for systemic therapy.
- In April 2024, AbbVie announced positive top-line results from its Phase 3 SELECT-GCA trial for Rinvoq in combination with a 26-week steroid taper regimen in patients with giant cell arteritis achieved its primary endpoint.
- In April 2024, AbbVie announced positive top-line results from the head-to-head Phase 3b/4 Level-Up trial evaluating Rinvoq compared to dupilumab in adolescent and adult patients with moderate to severe atopic dermatitis. In the study, Rinvoq demonstrated superiority to dupilumab on the primary endpoint and all ranked secondary endpoints.

##### Lutikizumab

- In January 2024, AbbVie announced Phase 2 results showing adults with moderate to severe hidradenitis suppurativa (HS) who had previously failed anti-TNF therapy who received lutikizumab achieved higher response rates than placebo in the primary endpoint of achieving HS Clinical Response at week 16. Based on these data, AbbVie will advance its clinical program of lutikizumab in HS to Phase 3.

#### Oncology

##### Epkinly

- In February 2024, AbbVie announced that the U.S. Food and Drug Administration (FDA) granted priority review of the supplemental Biologics License Application (sBLA) of Epkinly, for the treatment of adult relapsed or refractory (R/R) follicular lymphoma (FL).
- In March 2024, AbbVie initiated a Phase 3 clinical trial to evaluate Epkinly in combination with rituximab and lenalidomide in patients with previously untreated follicular lymphoma.

##### Elahere

- In March 2024, AbbVie announced that the FDA granted full approval for Elahere for the treatment of folate receptor alpha (FR $\alpha$ )-positive, platinum-resistant epithelial ovarian, fallopian tube or primary peritoneal adult cancer patients treated with up to three prior therapies.

##### Navitoclax

- In April 2024, AbbVie announced its decision to discontinue the Phase 3 TRANSFORM-2 study evaluating Navitoclax, a BCL-XL/BCL-2 inhibitor, plus ruxolitinib in patients with relapsed/refractory myelofibrosis following evaluation of the totality of data from the Phase 3 TRANSFORM-1 trial and recent feedback from regulators.

*Aesthetics*

Juvederm Collection

- In March 2024, AbbVie announced the FDA approval of Juvederm Voluma XC for injection in the temple region to improve moderate to severe temple hollowing in adults over the age of 21.

*Neuroscience*

ABBV-951

- In January 2024, AbbVie announced the launch of Produodopa (ABBV-951) in the European Union for the treatment of advanced Parkinson's disease with severe motor fluctuations and hyperkinesia (excessive movement) or dyskinesia (involuntary movement), and when available combinations of Parkinson's medicinal products have not given satisfactory results.

For a more comprehensive discussion of AbbVie's products and pipeline, see the company's Annual Report on Form 10-K for the year ended December 31, 2023.

**RESULTS OF OPERATIONS****Net Revenues**

The comparisons presented at constant currency rates reflect comparative local currency net revenues at the prior year's foreign exchange rates. This measure provides information on the change in net revenues assuming that foreign currency exchange rates had not changed between the prior and current periods. AbbVie believes that the non-GAAP measure of change in net revenues at constant currency rates, when used in conjunction with the GAAP measure of change in net revenues at actual currency rates, may provide a more complete understanding of the company's operations and can facilitate analysis of the company's results of operations, particularly in evaluating performance from one period to another.

| (dollars in millions) | Three months ended |           | Percent change              |                               |
|-----------------------|--------------------|-----------|-----------------------------|-------------------------------|
|                       | March 31,          |           | At actual<br>currency rates | At constant<br>currency rates |
|                       | 2024               | 2023      |                             |                               |
| United States         | \$ 9,041           | \$ 9,201  | (1.7)%                      | (1.7)%                        |
| International         | 3,269              | 3,024     | 8.1%                        | 11.6%                         |
| Net revenues          | \$ 12,310          | \$ 12,225 | 0.7%                        | 1.6%                          |

The following table details AbbVie's worldwide net revenues:

| (dollars in millions)  |                        | Three months ended |          | Percent change              |                               |
|------------------------|------------------------|--------------------|----------|-----------------------------|-------------------------------|
|                        |                        | March 31,          |          | At actual<br>currency rates | At constant<br>currency rates |
|                        |                        | 2024               | 2023     |                             |                               |
| <b>Immunology</b>      |                        |                    |          |                             |                               |
| Humira                 | United States          | \$ 1,771           | \$ 2,948 | (39.9)%                     | (39.9)%                       |
|                        | International          | 499                | 593      | (15.8)%                     | (11.6)%                       |
|                        | Total                  | \$ 2,270           | \$ 3,541 | (35.9)%                     | (35.2)%                       |
| Skyrizi                | United States          | \$ 1,656           | \$ 1,139 | 45.3%                       | 45.3%                         |
|                        | International          | 352                | 221      | 59.4%                       | 61.6%                         |
|                        | Total                  | \$ 2,008           | \$ 1,360 | 47.6%                       | 48.0%                         |
| Rinvoq                 | United States          | \$ 725             | \$ 449   | 61.4%                       | 61.4%                         |
|                        | International          | 368                | 237      | 55.3%                       | 62.8%                         |
|                        | Total                  | \$ 1,093           | \$ 686   | 59.3%                       | 61.9%                         |
| <b>Oncology</b>        |                        |                    |          |                             |                               |
| Imbruvica              | United States          | \$ 610             | \$ 638   | (4.3)%                      | (4.3)%                        |
|                        | Collaboration revenues | 228                | 240      | (5.1)%                      | (5.1)%                        |
|                        | Total                  | \$ 838             | \$ 878   | (4.5)%                      | (4.5)%                        |
| Venclexta              | United States          | \$ 281             | \$ 265   | 6.2%                        | 6.2%                          |
|                        | International          | 333                | 273      | 21.9%                       | 26.1%                         |
|                        | Total                  | \$ 614             | \$ 538   | 14.2%                       | 16.3%                         |
| Elahere <sup>(a)</sup> | United States          | \$ 64              | \$ —     | n/m                         | n/m                           |
| Epkinly                | Collaboration revenues | \$ 22              | \$ —     | n/m                         | n/m                           |
|                        | International          | 5                  | —        | n/m                         | n/m                           |
|                        | Total                  | \$ 27              | \$ —     | n/m                         | n/m                           |
| <b>Aesthetics</b>      |                        |                    |          |                             |                               |
| Botox Cosmetic         | United States          | \$ 389             | \$ 409   | (4.9)%                      | (4.9)%                        |
|                        | International          | 244                | 250      | (2.2)%                      | 1.2%                          |
|                        | Total                  | \$ 633             | \$ 659   | (3.9)%                      | (2.6)%                        |
| Juvederm Collection    | United States          | \$ 106             | \$ 122   | (13.2)%                     | (13.2)%                       |
|                        | International          | 191                | 233      | (18.1)%                     | (14.0)%                       |
|                        | Total                  | \$ 297             | \$ 355   | (16.4)%                     | (13.7)%                       |
| Other Aesthetics       | United States          | \$ 281             | \$ 246   | 13.7%                       | 13.7%                         |
|                        | International          | 38                 | 40       | (3.7)%                      | 1.2%                          |
|                        | Total                  | \$ 319             | \$ 286   | 11.3%                       | 12.0%                         |
| <b>Neuroscience</b>    |                        |                    |          |                             |                               |
| Botox Therapeutic      | United States          | \$ 611             | \$ 587   | 4.1%                        | 4.1%                          |
|                        | International          | 137                | 132      | 3.9%                        | 6.3%                          |
|                        | Total                  | \$ 748             | \$ 719   | 4.1%                        | 4.5%                          |
| Vraylar                | United States          | \$ 692             | \$ 560   | 23.5%                       | 23.5%                         |
|                        | International          | 2                  | 1        | >100.0%                     | >100.0%                       |
|                        | Total                  | \$ 694             | \$ 561   | 23.6%                       | 23.6%                         |
| Duodopa                | United States          | \$ 25              | \$ 25    | (2.6)%                      | (2.6)%                        |
|                        | International          | 90                 | 93       | (2.7)%                      | (3.7)%                        |
|                        | Total                  | \$ 115             | \$ 118   | (2.7)%                      | (3.5)%                        |
| Ubrovelvy              | United States          | \$ 197             | \$ 150   | 31.5%                       | 31.5%                         |
|                        | International          | 6                  | 2        | >100.0%                     | >100.0%                       |
|                        | Total                  | \$ 203             | \$ 152   | 33.8%                       | 33.8%                         |
| Quilpta                | United States          | \$ 128             | \$ 66    | 94.5%                       | 94.5%                         |
|                        | International          | 3                  | —        | >100.0%                     | >100.0%                       |
|                        | Total                  | \$ 131             | \$ 66    | 97.7%                       | 97.7%                         |

| (dollars in millions)     |               | Three months ended<br>March 31, |           | Percent change              |                               |
|---------------------------|---------------|---------------------------------|-----------|-----------------------------|-------------------------------|
|                           |               | 2024                            | 2023      | At actual<br>currency rates | At constant<br>currency rates |
| Other Neuroscience        | United States | \$ 61                           | \$ 75     | (18.5)%                     | (18.5)%                       |
|                           | International | 13                              | 4         | >100.0 %                    | >100.0 %                      |
|                           | Total         | \$ 74                           | \$ 79     | (6.9)%                      | (6.7)%                        |
| <b>Eye Care</b>           |               |                                 |           |                             |                               |
| Ozurdex                   | United States | \$ 34                           | \$ 39     | (13.7)%                     | (13.7)%                       |
|                           | International | 97                              | 76        | 27.9 %                      | 29.3 %                        |
|                           | Total         | \$ 131                          | \$ 115    | 13.7 %                      | 14.6 %                        |
| Lumigan/Ganfort           | United States | \$ 29                           | \$ 63     | (55.0)%                     | (55.0)%                       |
|                           | International | 62                              | 67        | (7.6)%                      | (6.4)%                        |
|                           | Total         | \$ 91                           | \$ 130    | (30.5)%                     | (29.9)%                       |
| Alphagan/Combigan         | United States | \$ 15                           | \$ 28     | (47.0)%                     | (47.0)%                       |
|                           | International | 44                              | 43        | 1.9 %                       | 6.9 %                         |
|                           | Total         | \$ 59                           | \$ 71     | (17.7)%                     | (14.7)%                       |
| Restasis                  | United States | \$ 44                           | \$ 79     | (44.1)%                     | (44.1)%                       |
|                           | International | 13                              | 13        | (1.4)%                      | 4.1 %                         |
|                           | Total         | \$ 57                           | \$ 92     | (38.1)%                     | (37.3)%                       |
| Other Eye Care            | United States | \$ 105                          | \$ 110    | (4.8)%                      | (4.8)%                        |
|                           | International | 95                              | 90        | 5.9 %                       | 9.3 %                         |
|                           | Total         | \$ 200                          | \$ 200    | — %                         | 1.5 %                         |
| <b>Other Key Products</b> |               |                                 |           |                             |                               |
| Mavyret                   | United States | \$ 144                          | \$ 171    | (15.8)%                     | (15.8)%                       |
|                           | International | 205                             | 193       | 6.2 %                       | 9.0 %                         |
|                           | Total         | \$ 349                          | \$ 364    | (4.1)%                      | (2.6)%                        |
| Creon                     | United States | \$ 285                          | \$ 305    | (6.6)%                      | (6.6)%                        |
| Linzess/Constella         | United States | \$ 257                          | \$ 251    | 2.5 %                       | 2.5 %                         |
|                           | International | 9                               | 8         | 9.2 %                       | 6.8 %                         |
|                           | Total         | \$ 266                          | \$ 259    | 2.8 %                       | 2.7 %                         |
| All other                 |               | \$ 744                          | \$ 691    | 8.2 %                       | 9.9 %                         |
| <b>Total net revenues</b> |               | \$ 12,310                       | \$ 12,225 | 0.7 %                       | 1.6 %                         |

n/m – Not meaningful

(a) Net revenues include ImmunoGen product revenues after the acquisition closing date of February 12, 2024.

The following discussion and analysis of AbbVie's net revenues by product is presented on a constant currency basis.

Global Humira sales decreased 35% for the three months ended March 31, 2024. In the United States, Humira sales decreased by 40% for the three months ended March 31, 2024 primarily driven by direct biosimilar competition following the loss of exclusivity on January 31, 2023. Internationally, Humira revenues decreased 12% for the three months ended March 31, 2024 primarily driven by the continued impact of direct biosimilar competition. AbbVie continues to pursue strategies to maintain broad formulary access of Humira and manage the impact of biosimilar erosion.

Net revenues for Skyrizi increased 48% for the three months ended March 31, 2024 primarily driven by continued strong market share uptake and market growth across all indications, partially offset by the timing of retail inventory destocking.

Net revenues for Rinvoq increased 62% for the three months ended March 31, 2024 primarily driven by continued strong market share uptake as well as market growth across all indications.

Net revenues for Imbruvica represent product revenues in the United States and collaboration revenues outside of the United States related to AbbVie's 50% share of Imbruvica profit. AbbVie's global Imbruvica revenues decreased 5% for the three months ended March 31, 2024 primarily driven by decreased demand and lower market share in the United States as well as decreased collaboration revenues, partially offset by the timing of inventory stocking.

Net revenues for Venclexta increased 16% for the three months ended March 31, 2024 driven by continued market share uptake as well as market growth across all indications.

Net revenues for Elahere were \$64 million for the three months ended March 31, 2024 for the period subsequent to the completion of the ImmunoGen acquisition.

Net revenues for Botox Cosmetic decreased 3% for the three months ended March 31, 2024 primarily driven by the unfavorable impact related to timing of customer inventory destocking in the United States.

Net revenues for Juvederm Collection decreased 14% for the three months ended March 31, 2024 primarily driven by the unfavorable impact related to timing of customer inventory destocking in the United States and decreased consumer demand across certain international markets.

Net revenues for Botox Therapeutic increased 5% for the three months ended March 31, 2024 primarily driven by continued market share uptake as well as market growth.

Net revenues for Vraylar increased 24% for the three months ended March 31, 2024 primarily driven by continued market share uptake.

Net revenues for Ubrovelvy increased 34% for the three months ended March 31, 2024 primarily driven by continued market share uptake as well as market growth.

Net revenues for Qulipta increased 98% for the three months ended March 31, 2024 primarily driven by continued strong market share uptake. Net revenues were also favorably impacted by the regulatory approval of Qulipta for the preventive treatment of chronic migraine in adults.

#### Gross Margin

| (dollars in millions)  | Three months ended<br>March 31, |          |          |
|------------------------|---------------------------------|----------|----------|
|                        | 2024                            | 2023     | % change |
| Gross margin           | \$ 8,216                        | \$ 8,239 | — %      |
| as a % of net revenues | 67 %                            | 67 %     |          |

Gross margin as a percentage of net revenues was flat for the three months ended March 31, 2024 compared to the prior year. Gross margin percentage for the three months ended March 31, 2024 was unfavorably impacted by changes in product mix, offset by lower amortization of intangibles.

#### Selling, General and Administrative

| (dollars in millions)               | Three months ended<br>March 31, |          |          |
|-------------------------------------|---------------------------------|----------|----------|
|                                     | 2024                            | 2023     | % change |
| Selling, general and administrative | \$ 3,315                        | \$ 3,039 | 9 %      |
| as a % of net revenues              | 27 %                            | 25 %     |          |

Selling, general and administrative (SG&A) expenses as a percentage of net revenues increased for the three months ended March 31, 2024 compared to the prior year. SG&A expense percentage was unfavorably impacted by acquisition and integration costs incurred in connection with the ImmunoGen acquisition including cash-settled, post-closing expense for ImmunoGen employee incentive awards. See Note 4 to the condensed consolidated financial statements for additional information.

#### Research and Development

| (dollars in millions)    | Three months ended<br>March 31, |          |          |
|--------------------------|---------------------------------|----------|----------|
|                          | 2024                            | 2023     | % change |
| Research and development | \$ 1,939                        | \$ 2,292 | (15)%    |
| as a % of net revenues   | 16 %                            | 19 %     |          |

Research and development (R&D) expenses as a percentage of net revenues decreased for the three months ended March 31, 2024 compared to the prior year primarily due to an intangible asset impairment charge of \$630 million incurred during the three months ended March 31, 2023, partially offset by increased funding to support all stages of the company's pipeline assets as well as acquisition and integration costs incurred in connection with the ImmunoGen acquisition including cash-settled, post-closing expense for ImmunoGen employee incentive awards. See Note 4 to the condensed consolidated financial statements for additional information.

## Acquired IPR&D and Milestones

| (dollars in millions)         | Three months ended<br>March 31, |        |
|-------------------------------|---------------------------------|--------|
|                               | 2024                            | 2023   |
| Upfront charges               | \$ 79                           | \$ 132 |
| Development milestones        | 85                              | 18     |
| Acquired IPR&D and milestones | \$ 164                          | \$ 150 |

## Other Non-Operating Expenses (Income)

| (in millions)             | Three months ended<br>March 31, |        |
|---------------------------|---------------------------------|--------|
|                           | 2024                            | 2023   |
| Interest expense          | \$ 660                          | \$ 553 |
| Interest income           | (207)                           | (99)   |
| Interest expense, net     | \$ 453                          | \$ 454 |
| Net foreign exchange loss | \$ 4                            | \$ 35  |
| Other expense, net        | 586                             | 1,804  |

Interest expense increased for the three months ended March 31, 2024 compared to the prior year primarily due to the incremental interest and debt issuance costs associated with financing the ImmunoGen and proposed Cerevel Therapeutics acquisitions as well as the impact of higher interest rates. See Note 8 to the condensed consolidated financial statements for additional information related to debt issued to finance the ImmunoGen acquisition.

Interest income increased for the three months ended March 31, 2024 compared to the prior year primarily due to a higher average cash and cash equivalents balance and the impact of higher interest rates.

Other expense, net included charges related to changes in fair value of contingent consideration liabilities of \$660 million for the three months ended March 31, 2024 and \$1.9 billion for the three months ended March 31, 2023. The fair value of contingent consideration liabilities is impacted by the passage of time and multiple other inputs, including the probability of success of achieving regulatory/commercial milestones, discount rates, the estimated amount of future sales of the acquired products and other market-based factors. For the three months ended March 31, 2024, the change in fair value reflected higher estimated Skyrizi sales driven by stronger market share uptake and the passage of time, partially offset by higher discount rates. For the three months ended March 31, 2023 the change in fair value reflected higher estimated Skyrizi sales driven by stronger market share uptake, the passage of time, lower discount rates and favorable clinical trial results.

## Income Tax Expense

The effective tax rate was 22% for the three months ended March 31, 2024 compared to 49% for the three months ended March 31, 2023. The effective tax rate in each period differed from the U.S. statutory tax rate of 21% principally due to the impact of foreign operations which reflects the impact of lower income tax rates in locations outside the United States, changes in fair value of contingent consideration and business development activities, including ImmunoGen acquisition-related costs. The decrease in the effective tax rate for the three months ended March 31, 2024 over the prior year was primarily due to changes in fair value of contingent consideration and impairment of certain intangible assets in the prior year.

## FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

| (in millions)                     | Three months ended<br>March 31, |          |
|-----------------------------------|---------------------------------|----------|
|                                   | 2024                            | 2023     |
| Cash flows provided by (used in): |                                 |          |
| Operating activities              | \$ 4,040                        | \$ 4,193 |
| Investing activities              | (9,588)                         | (499)    |
| Financing activities              | 10,819                          | (6,192)  |

Operating cash flows for the three months ended March 31, 2024 decreased compared to the prior year primarily due to ImmunoGen acquisition-related cash expenses, decreased results from operations driven by changes in product mix and increased R&D funding to support all stages of the company's pipeline assets, partially offset by the timing of working capital.

Investing cash flows for the three months ended March 31, 2024 primarily included \$9.8 billion cash consideration paid to acquire ImmunoGen offset by cash acquired of \$591 million, payments made for other acquisitions and investments of \$190 million and capital expenditures of \$193 million. Investing cash flows for the three months ended March 31, 2023 included payments made for other acquisitions and investments of \$353 million and capital expenditures of \$175 million.

Financing cash flows for the three months ended March 31, 2024 included the issuance of unsecured senior notes totaling \$15.0 billion aggregate principal which were used to finance the acquisition of ImmunoGen and proposed acquisition of Cerevel Therapeutics. Additionally, financing cash flows included the issuance and repayment of \$5.0 billion under the term loan credit agreement and the repayment of \$99 million of secured term notes assumed from ImmunoGen in conjunction with the acquisition. Financing cash flows for the three months ended March 31, 2023 included repayments of \$1.0 billion floating rate term loan and \$350 million aggregate principal amount of the company's 2.80% senior notes.

Financing cash flows also included cash dividend payments of \$2.8 billion for the three months ended March 31, 2024 and \$2.7 billion for the three months ended March 31, 2023. The increase in cash dividend payments was primarily driven by the increase in the quarterly dividend rate.

On February 15, 2024, the company announced that its board of directors declared a quarterly cash dividend of \$1.55 per share for stockholders of record at the close of business on April 15, 2024, payable on May 15, 2024. The timing, declaration, amount of and payment of any dividends by AbbVie in the future is within the discretion of its board of directors and will depend upon many factors, including AbbVie's financial condition, earnings, capital requirements of its operating subsidiaries, covenants associated with certain of AbbVie's debt service obligations, legal requirements, regulatory constraints, industry practice, ability to access capital markets and other factors deemed relevant by its board of directors.

The company's stock repurchase authorization permits purchases of AbbVie shares from time to time in open-market or private transactions at management's discretion. The program has no time limit and can be discontinued at any time. On February 16, 2023, AbbVie's board of directors authorized a \$5.0 billion increase to the existing stock repurchase authorization. AbbVie repurchased 5 million shares for \$959 million during the three months ended March 31, 2024 and 10 million shares for \$1.6 billion during the three months ended March 31, 2023.

During the three months ended March 31, 2024, the company issued and redeemed \$1.7 billion of commercial paper. There were no commercial paper borrowings outstanding as of March 31, 2024 and December 31, 2023. AbbVie may issue additional commercial paper or retire commercial paper to meet liquidity requirements as needed.

### Credit Risk

AbbVie monitors economic conditions, the creditworthiness of customers and government regulations and funding, both domestically and abroad. AbbVie regularly communicates with its customers regarding the status of receivable balances, including their payment plans and obtains positive confirmation of the validity of the receivables. AbbVie establishes an allowance for credit losses equal to the estimate of future losses over the contractual life of outstanding accounts receivable. AbbVie may also utilize factoring arrangements to mitigate credit risk, although the receivables included in such arrangements have historically not been a significant amount of total outstanding receivables.

## Credit Facility, Access to Capital and Credit Ratings

### Credit Facility

In December 2023, in connection with the acquisition of ImmunoGen and proposed acquisition of Cerevel Therapeutics, AbbVie entered into a \$9.0 billion 364-day bridge credit agreement and \$5.0 billion 364-day term loan credit agreement. In February, 2024, AbbVie borrowed and repaid \$5.0 billion under the term loan credit agreement. Subsequent to the \$15.0 billion issuance of senior notes, AbbVie terminated both the bridge and term loan credit agreements in the first quarter of 2024.

In March 2023, AbbVie entered into an amended and restated five-year revolving credit facility. The amendment increased the unsecured revolving credit facility commitments from \$4.0 billion to \$5.0 billion and extended the maturity date of the facility from August 2023 to March 2028. This credit facility enables the company to borrow funds on an unsecured basis at variable interest rates and contains various covenants. At March 31, 2024, the company was in compliance with all covenants, and commitment fees under the credit facility were insignificant. No amounts were outstanding under the company's credit facility as of March 31, 2024 and December 31, 2023.

### Access to Capital

The company intends to fund short-term and long-term financial obligations as they mature through cash on hand, future cash flows from operations or has the ability to issue additional debt. The company's ability to generate cash flows from operations, issue debt or enter into financing arrangements on acceptable terms could be adversely affected if there is a material decline in the demand for the company's products or in the solvency of its customers or suppliers, deterioration in the company's key financial ratios or credit ratings or other material unfavorable changes in business conditions. At the current time, the company believes it has sufficient financial flexibility to issue debt, enter into other financing arrangements and attract long-term capital on acceptable terms to support the company's growth objectives.

### Credit Ratings

There were no changes in the company's credit ratings during the three months ended March 31, 2024. Unfavorable changes to the ratings may have an adverse impact on future financing arrangements; however, they would not affect the company's ability to draw on its credit facility and would not result in an acceleration of scheduled maturities of any of the company's outstanding debt.

## CRITICAL ACCOUNTING POLICIES

A summary of the company's significant accounting policies is included in Note 2, "Summary of Significant Accounting Policies" in AbbVie's Annual Report on Form 10-K for the year ended December 31, 2023. There have been no significant changes in the company's application of its critical accounting policies during the three months ended March 31, 2024.

## FORWARD-LOOKING STATEMENTS

Some statements in this quarterly report on Form 10-Q are, or may be considered, forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "project," and similar expressions and use of future or conditional verbs, generally identify forward-looking statements. AbbVie cautions that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. Such risks and uncertainties include, but are not limited to challenges to intellectual property, competition from other products, difficulties inherent in the research and development process, adverse litigation or government action and changes to laws and regulations applicable to our industry. Additional information about the economic, competitive, governmental, technological and other factors that may affect AbbVie's operations is set forth in Item 1A, "Risk Factors," in AbbVie's Annual Report on Form 10-K for the year ended December 31, 2023, which has been filed with the Securities and Exchange Commission. AbbVie notes these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. AbbVie undertakes no obligation, and specifically declines, to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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For a discussion of the company's market risk, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in AbbVie's Annual Report on Form 10-K for the year ended December 31, 2023.

## ITEM 4. CONTROLS AND PROCEDURES

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### DISCLOSURE CONTROLS AND PROCEDURES

**Evaluation of disclosure controls and procedures.** The Chief Executive Officer, Richard A. Gonzalez, and the Chief Financial Officer, Scott T. Reents, evaluated the effectiveness of AbbVie's disclosure controls and procedures as of the end of the period covered by this report, and concluded that AbbVie's disclosure controls and procedures were effective to ensure that information AbbVie is required to disclose in the reports that it files or submits with the Securities and Exchange Commission under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms, and to ensure that information required to be disclosed by AbbVie in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to AbbVie's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

**Changes in internal control over financial reporting.** There were no changes in AbbVie's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that have materially affected, or are reasonably likely to materially affect, AbbVie's internal control over financial reporting during the quarter ended March 31, 2024.

**Inherent Limitations on Effectiveness of Controls.** AbbVie's management, including its Chief Executive Officer and its Chief Financial Officer, do not expect that AbbVie's disclosure controls or internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls.

The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

Information pertaining to legal proceedings is provided in Note 12 to the Condensed Consolidated Financial Statements and is incorporated by reference herein.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

#### (c) Issuer Purchases of Equity Securities

| Period                               | (a) Total Number of Shares (or Units) Purchased | (b) Average Price Paid per Share (or Unit) | (c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs | (d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs |
|--------------------------------------|---|--|---|---|
| January 1, 2024 - January 31, 2024   | 994 <sup>(1)</sup>                              | \$160.15 <sup>(1)</sup>                    | —   | \$4,808,991,028   |
| February 1, 2024 - February 28, 2024 | 845 <sup>(1)</sup>                              | \$171.75 <sup>(1)</sup>                    | —   | \$4,808,991,028   |
| March 1, 2024 - March 31, 2024       | 5,317,518 <sup>(1)</sup>                        | \$180.45 <sup>(1)</sup>                    | 5,316,656   | \$3,849,610,303   |
| Total                                | 5,319,357 <sup>(1)</sup>                        | \$180.44 <sup>(1)</sup>                    | 5,316,656   | \$3,849,610,303   |

1. In addition to AbbVie shares repurchased on the open market under a publicly announced program, if any, these shares also included the shares purchased on the open market for the benefit of participants in the AbbVie Employee Stock Purchase Plan – 994 in January; 845 in February; and 862 in March.

These shares do not include the shares surrendered to AbbVie to satisfy minimum tax withholding obligations in connection with the vesting or exercise of stock-based awards.

**ITEM 5. OTHER ITEMS**

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*(c) Director and Officer Trading Arrangements*

During the three months ended March 31, 2024, no director or officer of the company adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K, except as provided below.

| <b>Name &amp; Title</b>   | <b>Action Taken</b> | <b>Date Adopted</b> | <b>Type of Trading Arrangement<sup>(1)</sup></b> | <b>Aggregate Number of Shares to be Sold Pursuant to Trading Arrangement</b> | <b>Duration of Trading Arrangement<sup>(2)</sup></b> |
|---|---------------------|---------------------|--|--|--|
| Richard A. Gonzalez<br>Chairman of the Board<br>and Chief Executive Officer | Adoption            | 03/26/2024          | Rule 10b5-1 Trading Arrangement                  | Up to 282,845 Shares Issuable Upon the Exercise of Options                   | 12/31/2024   |

1. Except as indicated by footnote, each trading arrangement marked as a "Rule 10b5-1 Trading Arrangement" is intended to satisfy the affirmative defense of Rule 10b5-1(c), as amended.
2. Except as indicated by footnote, each trading arrangement permitted or permits transactions through and including the earlier to occur of (a) the completion of all sales or (b) the date listed in the table. Each trading arrangement marked as a "Rule 10b5-1 Trading Arrangement" only permitted or only permits transactions upon expiration of the applicable mandatory cooling-off period under the Rule.

## ITEM 6. EXHIBITS

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Exhibits 32.1 and 32.2 are furnished herewith and should not be deemed to be "filed" under the Securities Exchange Act of 1934.

| Exhibit No. | Exhibit Description   |
|-------------|---|
| 10.1        | Form of AbbVie Inc. Performance-Vested Restricted Stock Unit Agreement*   |
| 10.2        | Form of AbbVie Inc. Performance Share Award Agreement*  |
| 10.3        | Form of AbbVie Inc. Non-Employee Director RSU Agreement (US)*   |
| 10.4        | Form of AbbVie Inc. Non-Qualified Stock Option Agreement*   |
| 10.5        | Form of AbbVie Inc. Retention RSU Agreement - Ratable Vesting*  |
| 31.1        | Certification of Chief Executive Officer Required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).   |
| 31.2        | Certification of Chief Financial Officer Required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).   |
| 32.1        | Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.  |
| 32.2        | Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.  |
| 101         | The following financial statements and notes from the AbbVie Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, filed on May 3, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Statements of Earnings; (ii) Condensed Consolidated Statements of Comprehensive Income; (iii) Condensed Consolidated Balance Sheets; (iv) Condensed Consolidated Statements of Equity; (v) Condensed Consolidated Statements of Cash Flows; and (vi) the Notes to Condensed Consolidated Financial Statements. |
| 104         | Cover Page Interactive Data File (the cover page from the AbbVie Inc. Quarterly Report on Form 10-Q formatted as Inline XBRL and contained in Exhibit 101).   |

\* Denotes management contract or compensatory plan or arrangement required to be filed as an exhibit hereto.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**ABBVIE INC.**

By: /s/ Scott T. Reents  
Scott T. Reents  
Executive Vice President,  
Chief Financial Officer (Principal Financial Officer)

Date: May 3, 2024

ABBVIE INC.  
PERFORMANCE-VESTED RESTRICTED STOCK UNIT AGREEMENT

On this %%OPTION\_DATE,'MONTH DD, YYYY'%%-%% (the "Grant Date"), AbbVie Inc. (the "Company") hereby grants to %%FIRST\_NAME%%-%% %%LAST\_NAME%%-%% (the "Employee") a Performance-Vested Restricted Stock Unit Award (the "Award") of %%TOTAL\_SHARES\_GRANTED,'999,999,999'%%-%% restricted stock units (the "Units"). The actual number of shares of Company common stock (the "Shares") that may be issued under this Award will be determined in accordance with this Agreement by reference to the number of Units set forth above.

The Award is granted under the Program and is subject to the provisions of the Program, the Program prospectus, the Program administrative rules, applicable Company policies, and the terms and conditions set forth in this Agreement. In the event of any inconsistency among the provisions of this Agreement, the provisions of the Program, the Program prospectus, and the Program administrative rules, the provisions of the Program shall control.

The terms and conditions of the Award are as follows:

1. Definitions. To the extent not defined herein, capitalized terms shall have the same meaning as in the Program.
  - (a) Agreement: This Performance-Vested Restricted Stock Unit Agreement.
  - (b) Cause: Unless otherwise defined in the Employee's Change in Control Agreement, cause shall mean the following, as determined by the Company in its sole discretion:
    - (i) material breach by the Employee of the terms and conditions of the Employee's employment, including, but not limited to:
      - (A) material breach by the Employee of the Code of Business Conduct;
      - (B) material breach by the Employee of the Employee's Employee Agreement or employment contract, if any;
      - (C) commission by the Employee of an act of fraud, embezzlement or theft in connection with the Employee's duties or in the course of the Employee's employment;
      - (D) wrongful disclosure by the Employee of secret processes or confidential information of the Company or any of its Subsidiaries; or
      - (E) failure by the Employee to substantially perform the duties of the Employee's employment (other than any such failure resulting from the Employee's Disability); or
    - (ii) to the extent permitted by applicable law, engagement by the Employee, directly or indirectly, for the benefit of the Employee or others, in any activity, employment or business which is competitive with the Company or any of its Subsidiaries.

- (c) Change in Control Agreement: An agreement regarding Change in Control in effect between the Company (or the Surviving Entity) and the Employee.
- (d) Code of Business Conduct: The Company's Code of Business Conduct, as amended from time to time.
- (e) Controlled Group: AbbVie Inc. and any corporation, partnership and proprietorship under common control (as defined under the aggregation rules of Code Section 414 (b), (c), or (m)) with AbbVie Inc.
- (f) Data: Certain personal information about the Employee held by the Company and the Subsidiary that employs the Employee (if applicable), including (but not limited to) the Employee's name, home address and telephone number, email address, date of birth, social security, passport or other identification number, salary, nationality, job title, any Shares held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Employee's favor, for the purpose of managing and administering the Program.
- (g) Disability: Sickness or accidental bodily injury, directly and independently of all other causes, that disables the Employee so that the Employee is completely prevented from performing all the duties of his or her occupation or employment.
- (h) Employee Agreement: The Employee Agreement entered into by and between the Company or a Subsidiary and the Employee as it may be amended from time to time.
- (i) Employee's Representative: The Employee's legal guardian or other legal representative.
- (j) Good Reason: Unless otherwise defined in the Employee's Change in Control Agreement, good reason shall mean the occurrence of any of the following circumstances without the Employee's express written consent:
  - (i) a significant adverse change in the nature, scope or status of the Employee's position, authorities or duties from those in effect immediately prior to the Change in Control, including, without limitation, if the Employee was, immediately prior to the Change in Control, an officer of a public company, the Employee ceasing to be an officer of a public company;
  - (ii) the failure by the Company or a Subsidiary to pay the Employee any portion of the Employee's current compensation, or to pay the Employee any portion of any installment of deferred compensation under any deferred compensation program of the Company, within seven days of the date such compensation is due;
  - (iii) a reduction in the Employee's annual base salary (or a material change in the frequency of payment) as in effect immediately prior to the Change in Control as the same may be increased from time to time;
  - (iv) the failure by the Company or a Subsidiary to award the Employee an annual bonus in any year which is at least equal to the annual bonus awarded to the Employee under the annual bonus plan of the Company or Subsidiary for the year immediately preceding the year of the Change in Control;

- (v) the failure by the Company to award the Employee equity-based incentive compensation (such as stock options, shares of restricted stock, restricted stock units, or other equity-based compensation) on a periodic basis consistent with the Company's practices with respect to timing, value and terms prior to the Change in Control;
  - (vi) the failure by the Company or a Subsidiary to continue to provide the Employee with the welfare benefits, fringe benefits and perquisites enjoyed by the Employee immediately prior to the Change in Control under any of the Company's or Subsidiary's plans or policies, including, but not limited to, those plans and policies providing pension, life insurance, medical, health and accident, disability and vacation;
  - (vii) the relocation of the Employee's base office to a location that is more than 35 miles from the Employee's base office immediately prior to the Change in Control; or
  - (viii) the failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement as contemplated in Section 5.
- (k) Performance Determination Date: The date on which the Committee determines whether or to what extent the Performance Vesting Requirements have been achieved.
- (l) Performance Period: The period(s) specified in the attached Schedule, over which achievement of the Performance Vesting Requirements is to be measured.
- (m) Performance-Vested Shares: The maximum number of Shares the Employee may receive under this Award based on the extent to which the Performance Vesting Requirements are achieved. In no event will the number of Performance-Vested Shares exceed 150% of the number of Units set forth in the first paragraph of this Agreement.
- (n) Performance Vesting Requirements: The performance goals described in the attached Schedule, which must be achieved for Units to vest and the corresponding Shares to be delivered under this Award.
- (o) Program: The AbbVie Amended and Restated 2013 Incentive Stock Program.
- (p) Retirement:
- (i) Except as provided under (ii) or (iii) below, Retirement means any of the following:
    - age 55 with 10 years of service; or
    - age 60 with five years of service; or
    - age 65 with three years of service.
  - (ii) For Employees who (A) transferred to the Company directly from Abbott Laboratories either as a result of the Company's spin-off from Abbott Laboratories or during the period from January 1, 2013 through June 30, 2015 with the consent of each company's head of human resources, and (B) were hired into the Abbott

Laboratories controlled group prior to January 1, 2004, Retirement means either of the following:

- age 50 with 10 years of service; or
- age 65 with three years of service.

(iii) For purposes of calculating service under this Section 1(p), except as otherwise provided by the Committee or its delegate:

- (A) service is earned only if performed for a member of the Controlled Group while that Controlled Group member is a part of the Controlled Group as defined in Section 1(e) of this Agreement;
- (B) for Employees who transferred to the Company directly from Abbott Laboratories during the period from January 1, 2013 through June 30, 2015 either as a result of the Company's spin-off from Abbott Laboratories or with the consent of each company's head of human resources, service includes service with Abbott Laboratories that is counted for Retirement eligibility purposes under applicable law or Company procedures; and
- (C) applicable law, Company procedures, and/or Program administration rules apply in determining credited service and Retirement eligibility.

(q) Termination: A severance of employment for any reason (including Retirement) from the Company and all Subsidiaries. Any Termination shall be effective on the last day the Employee performs services for or on behalf of the Company or its Subsidiary, and employment shall not be extended by any statutory or common law notice of termination period.

2. Delivery Dates and Shareholder Rights. The delivery dates for Shares issuable with respect to the Units are the respective dates on which the Shares are distributable to the Employee if the Restrictions lapse pursuant to Section 4 below (each a "Delivery Date"). Prior to the Delivery Date(s):

- (a) the Employee shall not be treated as a shareholder as to any Shares issuable under the Agreement, and shall have only a contractual right to receive Shares, unsecured by any assets of the Company or its Subsidiaries;
- (b) the Employee shall not be permitted to vote any Shares issuable under the Agreement; and
- (c) the Employee's right to receive such Shares will be subject to the adjustment provisions relating to mergers, reorganizations, and similar events set forth in the Program.

Subject to the requirements of local law, if any dividend or other distribution is declared and paid on Shares (other than dividends or distributions of securities of the Company which may be issued with respect to its Shares by virtue of any stock split, combination, stock dividend or

recapitalization) while any of the Units remain subject to this Award (meaning that any of the Shares into which Units would be converted are not otherwise issued and outstanding for purposes of the entitlement to the dividend or distribution), then a book account will be maintained for the Employee and credited with a phantom dividend that is equivalent to the actual dividend or distribution that would have been paid on the total number of Performance-Vested Shares that may be distributed under this Award if that number of Shares had been issued and outstanding and entitled to the dividend or distribution. As any Units vest under this Award, the phantom dividends credited to the book account that are attributable to the Shares issuable with respect to such Units will vest and be distributed to the Employee (in the form in which the actual dividend or distribution was paid to shareholders or in such other form as the Administrator deems appropriate under the circumstances) concurrently with the issuance of the Shares resulting from the Unit vesting. Any such distribution is subject to the Company's collection of withholding taxes applicable to the distribution.

If fewer than all of the Performance-Vested Shares are earned as a result of the application of the vesting requirements or the forfeiture provisions of this Agreement or the Program, then the phantom dividends attributable to the unearned Shares will be cancelled and the Employee will cease to have any right or entitlement to receive any distribution or other amount with respect to such cancelled phantom dividends.

No phantom dividends will be paid or payable to or for the benefit of the Employee with respect to dividends or distributions for which the record date occurs on or after the applicable Delivery Date, the date the Employee has forfeited the Units or, in some cases due to applicable law, the date the Restrictions on the Units have lapsed. For purposes of compliance with the requirements of Code Section 409A, to the extent applicable, the specified date for payment of any phantom dividend to which the Employee is entitled under this Section 2 is the calendar year in which the corresponding Shares vest and are distributed to the Employee. The Employee has no right to determine the year in which phantom dividends will be paid.

3. **Restrictions.** The Units (encompassing all of the Performance-Vested Shares) are subject to the forfeiture provisions in Sections 6 and 7 below. Shares are not earned and may not be sold, exchanged, assigned, transferred, pledged or otherwise disposed of (collectively, the "Restrictions") until an event or combination of events described in subsections 4(a), (b), (c) or (d) or Section 5 occurs.
4. **Lapse of Restrictions.** The number of Shares that become issuable under this Award, as set forth in this Section 4 and subject to the provisions of Sections 5, 6 and 7 below, will be calculated based on the extent to which the Performance Vesting Requirements described in the attached Schedule are achieved. The Committee may equitably adjust the Performance Vesting Requirements described in the attached Schedule in recognition of unusual or non-recurring events affecting the Company or any Subsidiary or the financial statements of the Company or any Subsidiary, in response to changes in applicable laws or regulations, or to account for items of gain, loss or expense determined to be unusual in nature or infrequent in occurrence or related to the acquisition or disposal of a business or assets or related to a change in accounting principles.

- (a) **Performance.** If the Employee remains employed with the Company or its Subsidiaries as of the applicable vesting date specified below and has not experienced a Termination that triggers forfeiture, then:
- (i) the Restrictions on up to one-third of the total number of Units may lapse on %%VEST\_DATE\_PERIOD1,'MONTH DD, YYYY'%-%, as determined in accordance with the Schedule;
  - (ii) the Restrictions on up to an additional one-third of the total number of Units may lapse on %%VEST\_DATE\_PERIOD2,'MONTH DD, YYYY'%-%, as determined in accordance with the Schedule; and
  - (iii) the Restrictions on up to an additional one-third of the total number of Units may lapse on %%VEST\_DATE\_PERIOD3,'MONTH DD, YYYY'%-%, as determined in accordance with the Schedule.
- (b) **Retirement.** The Restrictions will continue to apply in the event of the Employee's Termination due to Retirement, but may lapse thereafter in accordance with the provisions of subsection 4(a) above, in which case any Units not previously settled on a Delivery Date will be settled in the form of Shares on the Delivery Date(s) set forth in subsection 4(a) above occurring after the date of such Termination due to Retirement.
- (c) **Death.** The Restrictions will lapse on the date of the Employee's Termination due to death, and any Units not previously settled on a Delivery Date will be settled (for the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution) in the form of Shares as soon as administratively possible after, and effective as of, the date of Termination due to death. The extent to which the Restrictions lapse, and the number of Shares to be delivered as a result, will be determined as follows:
- (i) For any Performance Period that has begun but has not been completed as of the date of Termination due to death, the number of Shares to be delivered with respect to the applicable Award tranche will be determined based on the greater of (A) performance through the date of Termination measured against the Performance Vesting Requirements set forth in the Schedule using the most recent earnings information released before the date of Termination, and (B) the target vesting level for the applicable Award tranche.
  - (ii) For any Performance Period that has not yet begun as of the date of Termination due to death, the number of Shares to be delivered will be determined using the target vesting level for the applicable Award tranche(s).
- (d) **Disability.** The Restrictions will lapse on the date of the Employee's Termination due to Disability, and any Units not previously settled on a Delivery Date will be settled in the form of Shares as soon as administratively possible after, and effective as of, the date of Termination due to Disability. The extent to which the Restrictions lapse, and the number of Shares to be delivered as a result, will be determined as follows:
- (i) For any Performance Period that has begun but has not been completed as of the date of Termination due to Disability, the number of Shares to be delivered with

respect to the applicable Award tranche will be determined based on the greater of (A) performance through the date of Termination measured against the Performance Vesting Requirements set forth in the Schedule using the most recent earnings information released before the date of Termination, and (B) the target vesting level for the applicable Award tranche.

- (ii) For any Performance Period that has not yet begun as of the date of Termination due to Disability, the number of Shares to be delivered will be determined using the target vesting level for the applicable Award tranche(s).

5. **Change in Control.** In the event of a Change in Control, the entity surviving such Change in Control or the ultimate parent thereof (referred to herein as the “Surviving Entity”) may assume, convert or replace this Award with an award of at least equal value and terms and conditions not less favorable than the terms and conditions provided in this Agreement, in which case the new award will vest according to the terms of the applicable award agreement. If the Surviving Entity does not assume, convert or replace this Award, the Restrictions will lapse on the date of the Change in Control, as described below.

If the Surviving Entity does assume, convert or replace this Award, then in the event the Employee’s Termination (a) occurs within the time period beginning six months immediately before a Change in Control and ending two years immediately following such Change in Control, and (b) was initiated by the Company (or the Surviving Entity) for a reason other than Cause or was initiated by the Employee for Good Reason, the Restrictions will lapse on the later of the date of the Change in Control and the date of the Employee’s Termination (referred to herein as the “Applicable Lapse Date”).

The extent to which the Restrictions lapse, and the number of Shares to be delivered as a result, will be determined as follows:

- (i) For any Performance Period that has begun but has not been completed as of the Applicable Lapse Date, the number of Shares to be delivered with respect to the applicable Award tranche will be determined based on the greatest of: (A) performance through the date of the Change in Control measured against the Performance Vesting Requirements set forth in the Schedule using the most recent earnings information released before the date of the Change in Control; (B) performance through the date of the Termination measured against the Performance Vesting Requirements set forth in the Schedule using the most recent earnings information released before the date of the Termination; and (C) the target vesting level for the applicable Award tranche.
- (ii) For any Performance Period that has not yet begun as of the Applicable Lapse Date, the number of Shares to be delivered will be determined using the target vesting level for the applicable Award tranche(s).

The provisions of this Section 5 supersede Section 13(a)(iii), (iv) and (v) of the Program.

6. **Effect of Certain Bad Acts.** Any Units not previously settled will be cancelled and forfeited immediately if the Employee engages in activity that constitutes Cause, as determined in the sole

opinion and discretion of the Committee or its delegate, whether or not the Employee experiences a Termination or remains employed with the Company or a Subsidiary.

7. Forfeiture of Units; Recoupment.

- (a) Effect of Termination. In the event of the Employee's Termination for any reason other than those set forth in subsection 4(b), (c) or (d) or Section 5, any Units with respect to which Restrictions have not lapsed as of the date of Termination will be forfeited without consideration to the Employee or the Employee's Representative. In the event that the Employee is terminated by the Company other than for Cause and in a situation not covered by Section 5, the Company may, in its sole discretion, cause some or all of the Units to continue to be subject to the Restrictions, provided such Restrictions may lapse thereafter in accordance with the provisions of subsection 4(a), in which case such Units will be settled in the form of Shares on the Delivery Date(s) set forth in subsection 4(a) above as if the Employee had remained employed on such dates. In accepting this Award, the Employee acknowledges that in the event of Termination (whether or not in breach of local labor laws), the Employee's right to vest in the Units, if any, will cease and will not be extended by any notice period mandated under local law (e.g., active employment does not include a period of "garden leave" or similar period pursuant to local law) and that the Company shall have the exclusive discretion to determine when Termination occurs.
- (b) Recoupment. Without limiting Section 14(q) of the Program, the Units, any Shares issued upon settlement of the Units and any proceeds therefrom shall be subject to and remain subject to any incentive compensation clawback or recoupment policy of the Company (i) currently in effect, (ii) as may be adopted by the Company to comply with applicable law and/or the rules and regulations of the securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, including, without limitation, pursuant to Section 10D of the Exchange Act, Rule 10D-1 thereunder and Section 303A.14 of the New York Stock Exchange Listed Company Manual, or (iii) as may be adopted by the Company to facilitate the Company's objectives related to eliminating or reducing fraud, misconduct, wrongdoing, or violations of law by an employee or other service provider or related to improving the Company's governance practices or similar considerations and, in each case, as may be amended from time to time (the "Recoupment Policy"), with the provisions contained in such Recoupment Policy deemed incorporated into this Agreement without the Employee's additional or separate consent. For purposes of the foregoing, the Employee expressly and explicitly authorizes the Company to issue instructions, on the Employee's behalf, to any brokerage firm and/or third-party administrator engaged by the Company to hold any Shares and other amounts acquired pursuant to the Units to reconvey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of the Recoupment Policy. In accepting the Award and the terms of this Agreement, the Employee acknowledges and agrees that the Recoupment Policy shall apply to all other forms of incentive compensation awarded to the Employee, as well. No recovery of compensation as described in this Section will be an event giving rise to the Employee's right to resign for "good reason" or "constructive termination" (or

similar term) under any plan of, or agreement with, the Company, a Subsidiary and/or the Employee.

8. **Withholding Taxes.** To the extent permitted under applicable law and by the Company, the Employee may satisfy any U.S. or non-U.S. federal, state, local or other applicable taxes arising from the grant of the Award, the lapse of Restrictions or the delivery of Shares pursuant to this Agreement by:
- (a) tendering a cash payment;
  - (b) having the Company withhold Shares from the Shares to be delivered to satisfy the applicable withholding tax;
  - (c) tendering Shares received in connection with the Award back to the Company; or
  - (d) delivering other previously acquired Shares having a Fair Market Value approximately equal to the amount to be withheld.

The Company shall have the right and is hereby authorized to withhold from the Shares deliverable to the Employee pursuant to this Agreement or (to the extent permitted by applicable law, including without limitation Code Section 409A) from any other compensation or other amount owing to the Employee, such amount as may be necessary in the opinion of the Company to satisfy all such taxes, requirements and withholding obligations. If the Company withholds for tax purposes from the Shares otherwise to be delivered to the Employee, the Employee is deemed to have been issued the full number of Shares underlying the Award, subject to the Restrictions set forth in this Agreement.

Notwithstanding the foregoing, if the Employee is subject to Section 16(b) of the Exchange Act, the Company will withhold using the method described in subsection 8(b) above unless the use of such withholding method is problematic under applicable laws or has materially adverse accounting consequences, in which case the Committee shall determine which of the other methods described in this Section 8 or in the Program shall be used to satisfy the applicable withholding obligations.

9. **No Right to Continued Employment.** This Agreement and the Employee's participation in the Program do not and shall not be interpreted to:
- (a) form an employment contract or relationship with the Company or its Subsidiaries;
  - (b) confer upon the Employee any right to continue in the employ of the Company or any of its Subsidiaries; or
  - (c) interfere with the ability of the Company or its Subsidiaries to terminate the Employee's employment at any time.
10. **Nature of Grant.** In accepting this Award, the Employee acknowledges and agrees that:
- (a) the Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

- (b) this Award is a one-time benefit and does not create any contractual or other right to receive future grants of Units, benefits in lieu of Units, or other Program Benefits in the future, even if Units have been granted repeatedly in the past;
- (c) all decisions with respect to future Unit grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;
- (d) nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Employee;
- (e) the Employee is voluntarily participating in the Program;
- (f) the Units and Shares subject to the Units are:
  - (i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its Subsidiaries, and are outside the scope of the Employee's employment contract, if any;
  - (ii) not intended to replace any pension rights or compensation;
  - (iii) not part of the Employee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should they be considered as compensation for, or relating in any way to, past services for the Company or any of its Subsidiaries;
- (g) the future value of the Shares underlying the Units is unknown and cannot be predicted with certainty;
- (h) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from the Units resulting from (i) Termination (for any reason whatsoever) and/or (ii) the application of Sections 6 and/or 7 above and the Employee irrevocably releases the Company and its Subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim;
- (i) the Units and the Benefits under the Program, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability; and
- (j) neither the Company nor any of its Subsidiaries shall be liable for any change in value of the Units, the amount realized upon settlement of the Units or the amount realized upon a subsequent sale of any Shares acquired upon settlement of the Units, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

#### 11. Data Privacy.

- (a) Pursuant to applicable personal data protection laws, the collection, processing and transfer of the Employee's personal Data is necessary for the Company's administration of the Program and the Employee's participation in the Program. The Employee's denial and/or

objection to the collection, processing and transfer of personal Data may affect his or her ability to participate in the Program. As such (where required under applicable law), the Employee:

- (i) voluntarily acknowledges, consents and agrees to the collection, use, processing and transfer of personal Data as described herein; and
  - (ii) authorizes Data recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Employee's participation in the Program, including any requisite transfer of such Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Employee's behalf to a broker or other third party with whom the Employee may elect to deposit any Shares acquired pursuant to the Program.
- (b) Data may be provided by the Employee or collected, where lawful, from third parties, and the Company and the Subsidiary that employs the Employee (if applicable) will process the Data for the exclusive purpose of implementing, administering and managing the Employee's participation in the Program. Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which the Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Employee's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Program and for the Employee's participation in the Program.
- (c) The Company and the Subsidiary that employs the Employee (if applicable) will transfer Data as necessary for the purpose of implementation, administration and management of the Employee's participation in the Program, and the Company and the Subsidiary that employs the Employee (if applicable) may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Program. These recipients may be located throughout the world.
- (d) The Employee may, at any time, exercise his or her rights provided under applicable personal data protection laws, which may include the right to:
- (i) obtain confirmation as to the existence of the Data;
  - (ii) verify the content, origin and accuracy of the Data;
  - (iii) request the integration, update, amendment, deletion or blockage (for breach of applicable laws) of the Data; and

- (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Program and the Employee's participation in the Program.

The Employee may seek to exercise these rights by contacting his or her local human resources manager.

- (e) Upon request of the Company or the Subsidiary that employs the Employee, the Employee agrees to provide an executed data privacy consent form (or any other agreement or consent that may be required by the Company and/or the Subsidiary that employs the Employee) to the Company and/or the Subsidiary that employs the Employee that the Company and/or the Subsidiary that employs the Employee may deem necessary to obtain from the Employee for the purpose of administering his or her participation in the Program in compliance with the data privacy laws in the Employee's country, either now or in the future. The Employee understands and agrees that he or she will not be able to participate in the Program if the Employee fails to provide any such requested consent or agreement.
12. **Form of Payment.** The Company may, in its sole discretion, settle the Employee's Units in the form of a cash payment to the extent settlement in Shares: (a) is prohibited under local law; (b) would require the Employee, the Company and/or its Subsidiaries to obtain the approval of any governmental and/or regulatory body in the Employee's country; (c) would result in adverse tax consequences for the Employee or the Company; or (d) is administratively burdensome. Alternatively, the Company may, in its sole discretion, settle the Employee's Units in the form of Shares but require the Employee to sell such Shares immediately or within a specified period of time following the Employee's Termination (in which case, this Agreement shall give the Company the authority to issue sales instructions on the Employee's behalf).
  13. **Private Placement.** This Award is not intended to be a public offering of securities in the Employee's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this Award is not subject to the supervision of the local securities authorities.
  14. **Exchange Controls.** As a condition to this Award, the Employee agrees to comply with any applicable foreign exchange rules and regulations.
  15. **Compliance with Applicable Laws and Regulations.**
    - (a) The Company shall not be required to issue or deliver any Shares pursuant to this Agreement pending compliance with all applicable federal and state securities and other laws (including any registration requirements or tax withholding requirements) and compliance with the rules and practices of any stock exchange upon which the Company's Shares are listed.

- (b) Regardless of any action the Company or its Subsidiaries take with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Employee's participation in the Program and legally applicable to the Employee or deemed by the Company or its Subsidiaries to be an appropriate charge to the Employee even if technically due by the Company or its Subsidiaries ("Tax-Related Items"), the Employee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Employee's responsibility and may exceed the amount actually withheld by the Company or its Subsidiaries, if any. The Employee further acknowledges that the Company and/or its Subsidiaries: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Units, including, but not limited to, the grant, lapse of Restrictions or settlement of the Units, the issuance of Shares upon payment of the Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or Dividend Equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Units to reduce or eliminate the Employee's liability for Tax-Related Items or achieve any particular tax result. If the Employee has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Employee acknowledges that the Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction. If the Employee relocates to another country, the Company may establish special or alternative terms and conditions as necessary or advisable to comply with local laws, rules or regulations, to facilitate the operation and administration of the Award and the Program and/or to accommodate the Employee's relocation.
- (c) The Employee acknowledges that, depending on the Employee's or the broker's country of residence or where the Shares are listed, the Employee may be subject to insider trading restrictions and/or market abuse laws which may affect his or her ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Units) or rights linked to the value of Shares during such times the Employee is considered to have "inside information" regarding the Company as defined in the laws or regulations in his or her country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Employee placed before he or she possessed inside information. Furthermore, the Employee could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Employee understands that third parties may include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Employee acknowledges that it is the Employee's responsibility to comply with any restrictions and the Employee is advised to speak to his or her personal legal advisor on this matter.
16. Code Section 409A. Payments made pursuant to this Agreement are intended to be exempt from or otherwise comply with the provisions of Code Section 409A to the extent applicable. The Program and this Agreement shall be administered and interpreted in a manner consistent with this intent. If the Company determines that any payments under this Agreement are subject to Code

Section 409A and this Agreement fails to comply with that section's requirements, the Company may, at the Company's sole discretion, and without the Employee's consent, amend this Agreement to cause it to comply with Code Section 409A or otherwise be exempt from Code Section 409A.

To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, the Employee shall not be deemed to have had a Termination unless the Employee has incurred a "separation from service" as defined in Treasury Regulation §1.409A-1(h), and amounts that would otherwise be payable pursuant to this Agreement during the six-month period immediately following the Employee's Termination (including Retirement) shall instead be paid on the first business day after the date that is six months following the Employee's Termination (or upon the Employee's death, if earlier). For purposes of Code Section 409A, to the extent applicable: (a) all payments provided hereunder shall be treated as a right to a series of separate payments and each separately identified amount to which the Employee is entitled under this Agreement shall be treated as a separate payment; (b) except as otherwise provided in Section 13(a) of the Program, upon the lapse of Restrictions pursuant to Section 5 of this Agreement, any Units not previously settled on a Delivery Date shall be settled as soon as administratively possible after, and effective as of, the date of the Change in Control or the date of the Employee's Termination (as applicable); (c) the term "as soon as administratively possible" means a period of time that is within 60 days after the Termination, Disability or Change in Control (as applicable); and (d) the date of the Employee's Disability shall be determined by the Company in its sole discretion.

Although this Agreement and the payments provided hereunder are intended to be exempt from or otherwise comply with the requirements of Code Section 409A, the Company does not represent or warrant that this Agreement or the payments provided hereunder will comply with Code Section 409A or any other provision of federal, state, local, or non-United States law. None of the Company, its Subsidiaries, or their respective directors, officers, employees or advisors shall be liable to the Employee (or any other individual claiming a benefit through the Employee) for any tax, interest, or penalties the Employee may owe as a result of compensation paid under this Agreement, and the Company and its Subsidiaries shall have no obligation to indemnify or otherwise protect the Employee from the obligation to pay any taxes pursuant to Code Section 409A.

17. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Award, the Employee's participation in the Program or the Employee's acquisition or sale of the underlying Shares. The Employee is hereby advised to consult with the Employee's own personal tax, legal and financial advisors regarding participation in the Program before taking any action related to the Program.
18. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Employee's participation in the Program, on the Units and on any Shares acquired under the Program, to the extent the Company or any Subsidiary determines it is necessary or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Units and the Program, and to require the Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Employee

agrees to take any and all actions, and consents to any and all actions taken by the Company and its Subsidiaries, as may be required to allow the Company and its Subsidiaries to comply with local laws, rules and regulations in the Employee's country. In addition, the Employee agrees to take any and all actions as may be required to comply with the Employee's personal obligations under local laws, rules and regulations in the Employee's country.

19. **Determinations.** Each decision, determination, interpretation or other action made or taken pursuant to the provisions of this Agreement by the Company, the Committee or any delegate of the Committee shall be final, conclusive and binding for all purposes and upon all persons, including, without limitation, the Company, the Employee, the Employee's Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.
20. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Program by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Program through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
21. **Addendum.** This Award shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for the Employee's country or jurisdiction. Moreover, if the Employee relocates to one of the countries or jurisdictions included in the Addendum, the special terms and conditions for such country or jurisdiction will apply to the Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Units and the Program (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Employee's relocation). The Addendum constitutes part of this Agreement.
22. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.
23. **Entire Agreement.** This Agreement and the Program constitute the entire agreement between the Employee and the Company regarding the Award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the Award. Except as expressly set forth herein, this Agreement (and any provision of this Agreement) may not be modified, changed or clarified by the parties, except in a writing specifying the modification, change or clarification signed by a duly authorized Company officer.

24. Succession. This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Employee, the Employee's Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.
25. Language. The Employee acknowledges and agrees that it is the Employee's express intent that this Agreement, the Program and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Employee is in a country where English is not an official language, the Employee acknowledges that he or she is sufficiently proficient in English or has had the ability to consult with an advisor who is sufficiently proficient in the English language, so as to allow the Employee to understand the terms and conditions of this Agreement, the Program and any other documents related to the Award. If the Employee has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable law.
26. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any state's conflict of laws principles. For any legal action relating to this Agreement, the parties to this Agreement consent to the exclusive jurisdiction and venue of the federal courts of the Northern District of Illinois, USA, and, if there is no jurisdiction in federal court, to the exclusive jurisdiction and venue of the state courts in Lake County, Illinois, USA.

\* \* \*

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed on their behalf.

ABBVIE INC.

By \_\_\_\_\_

Title \_\_\_\_\_

EMPLOYEE

By: SIGNED BY ELECTRONIC SIGNATURE

BY ELECTRONICALLY ACCEPTING THE AWARD, THE EMPLOYEE AGREES THAT (1) SUCH ACCEPTANCE CONSTITUTES THE EMPLOYEE'S ELECTRONIC SIGNATURE IN EXECUTION OF THIS AGREEMENT; (2) THE EMPLOYEE AGREES TO BE BOUND BY THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM; (3) THE EMPLOYEE HAS REVIEWED THE PROGRAM, THE AGREEMENT AND THE ADDENDUM IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO ACCEPTING THE AWARD AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM; (4) THE EMPLOYEE HAS BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE U.S. PROSPECTUS FOR THE PROGRAM; AND (5) THE EMPLOYEE HEREBY AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE OR ITS DULY AUTHORIZED DELEGATE ON ANY QUESTIONS ARISING UNDER THE PROGRAM, THE AGREEMENT AND THE ADDENDUM.

IF THE EMPLOYEE DOES NOT REJECT THE AWARD OR ELECTRONICALLY ACCEPT THE AWARD BY THE FIRST VESTING DATE FOR THE AWARD SET FORTH IN SECTION 4(a) OF THIS AGREEMENT, THE EMPLOYEE WILL BE DEEMED TO ACCEPT THE AWARD, AND THE EMPLOYEE WILL BE BOUND BY THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM.

SCHEDULE  
PERFORMANCE PERIODS AND PERFORMANCE VESTING REQUIREMENTS



ABBVIE INC.  
PERFORMANCE SHARE AWARD AGREEMENT

On this %%OPTION\_DATE,'MONTH DD, YYYY'%%-%% (the "Grant Date"), AbbVie Inc. (the "Company") hereby grants to %%FIRST\_NAME%%-%% %%LAST\_NAME%%-%% (the "Employee") a Performance Share Award (the "Award") of %%TOTAL\_SHARES\_GRANTED,'999,999,999'%%-%% performance share units (the "Units"). The actual number of shares of Company common stock (the "Shares") that may be issued under this Award will be determined in accordance with this Agreement by reference to the number of Units set forth above.

The Award is granted under the Program and is subject to the provisions of the Program, the Program prospectus, the Program administrative rules, applicable Company policies, and the terms and conditions set forth in this Agreement. In the event of any inconsistency among the provisions of this Agreement, the provisions of the Program, the Program prospectus, and the Program administrative rules, the provisions of the Program shall control.

The terms and conditions of the Award are as follows:

1. **Definitions.** To the extent not defined herein, capitalized terms shall have the same meaning as in the Program.
  - (a) **Agreement:** This Performance Share Award Agreement.
  - (b) **Cause:** Unless otherwise defined in the Employee's Change in Control Agreement, cause shall mean the following, as determined by the Company in its sole discretion:
    - (i) material breach by the Employee of the terms and conditions of the Employee's employment, including, but not limited to:
      - (A) material breach by the Employee of the Code of Business Conduct;
      - (B) material breach by the Employee of the Employee's Employee Agreement or employment contract, if any;
      - (C) commission by the Employee of an act of fraud, embezzlement or theft in connection with the Employee's duties or in the course of the Employee's employment;
      - (D) wrongful disclosure by the Employee of secret processes or confidential information of the Company or any of its Subsidiaries; or
      - (E) failure by the Employee to substantially perform the duties of the Employee's employment (other than any such failure resulting from the Employee's Disability); or
    - (ii) to the extent permitted by applicable law, engagement by the Employee, directly or indirectly, for the benefit of the Employee or others, in any activity, employment or business which is competitive with the Company or any of its Subsidiaries.
  - (c) **Change in Control Agreement:** An agreement regarding Change in Control in effect between the Company (or the Surviving Entity) and the Employee.

- (d) Code of Business Conduct: The Company's Code of Business Conduct, as amended from time to time.
- (e) Controlled Group: AbbVie Inc. and any corporation, partnership and proprietorship under common control (as defined under the aggregation rules of Code Section 414 (b), (c), or (m)) with AbbVie Inc.
- (f) Data: Certain personal information about the Employee held by the Company and the Subsidiary that employs the Employee (if applicable), including (but not limited to) the Employee's name, home address and telephone number, email address, date of birth, social security, passport or other identification number, salary, nationality, job title, any Shares held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Employee's favor, for the purpose of managing and administering the Program.
- (g) Disability: Sickness or accidental bodily injury, directly and independently of all other causes, that disables the Employee so that the Employee is completely prevented from performing all the duties of his or her occupation or employment.
- (h) Employee Agreement: The Employee Agreement entered into by and between the Company or a Subsidiary and the Employee as it may be amended from time to time.
- (i) Employee's Representative: The Employee's legal guardian or other legal representative.
- (j) Good Reason: Unless otherwise defined in the Employee's Change in Control Agreement, good reason shall mean the occurrence of any of the following circumstances without the Employee's express written consent:
  - (i) a significant adverse change in the nature, scope or status of the Employee's position, authorities or duties from those in effect immediately prior to the Change in Control, including, without limitation, if the Employee was, immediately prior to the Change in Control, an officer of a public company, the Employee ceasing to be an officer of a public company;
  - (ii) the failure by the Company or a Subsidiary to pay the Employee any portion of the Employee's current compensation, or to pay the Employee any portion of any installment of deferred compensation under any deferred compensation program of the Company, within seven days of the date such compensation is due;
  - (iii) a reduction in the Employee's annual base salary (or a material change in the frequency of payment) as in effect immediately prior to the Change in Control as the same may be increased from time to time;
  - (iv) the failure by the Company or a Subsidiary to award the Employee an annual bonus in any year which is at least equal to the annual bonus awarded to the Employee under the annual bonus plan of the Company or Subsidiary for the year immediately preceding the year of the Change in Control;
  - (v) the failure by the Company to award the Employee equity-based incentive compensation (such as stock options, shares of restricted stock, restricted stock units, or other equity-based compensation) on a periodic basis consistent with the

Company's practices with respect to timing, value and terms prior to the Change in Control;

- (vi) the failure by the Company or a Subsidiary to continue to provide the Employee with the welfare benefits, fringe benefits and perquisites enjoyed by the Employee immediately prior to the Change in Control under any of the Company's or Subsidiary's plans or policies, including, but not limited to, those plans and policies providing pension, life insurance, medical, health and accident, disability and vacation;
  - (vii) the relocation of the Employee's base office to a location that is more than 35 miles from the Employee's base office immediately prior to the Change in Control; or
  - (viii) the failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement as contemplated in Section 5.
- (k) Performance Determination Date: The date on which the Committee determines whether or to what extent the Performance Vesting Requirements have been achieved.
- (l) Performance Period: The period(s) specified in the attached Schedule, over which achievement of the Performance Vesting Requirements is to be measured.
- (m) Performance Shares: The maximum number of Shares the Employee may receive under this Award based on the extent to which the Performance Vesting Requirements are achieved. In no event will the number of Performance Shares exceed 250% of the number of Units set forth in the first paragraph of this Agreement.
- (n) Performance Vesting Requirements: The performance goals described in the attached Schedule, which must be achieved for Units to vest and the corresponding Shares to be delivered under this Award.
- (o) Program: The AbbVie Amended and Restated 2013 Incentive Stock Program.
- (p) Retirement:
- (i) Except as provided under (ii) or (iii) below, Retirement means any of the following:
    - age 55 with 10 years of service; or
    - age 60 with five years of service; or
    - age 65 with three years of service.
  - (ii) For Employees who (A) transferred to the Company directly from Abbott Laboratories either as a result of the Company's spin-off from Abbott Laboratories or during the period from January 1, 2013 through June 30, 2015 with the consent of each company's head of human resources, and (B) were hired into the Abbott Laboratories controlled group prior to January 1, 2004, Retirement means either of the following:

- age 50 with 10 years of service; or
  - age 65 with three years of service.
- (iii) For purposes of calculating service under this Section 1(p), except as otherwise provided by the Committee or its delegate:
- (A) service is earned only if performed for a member of the Controlled Group while that Controlled Group member is a part of the Controlled Group as defined in Section 1(e) of this Agreement; and
  - (B) for Employees who transferred to the Company directly from Abbott Laboratories during the period from January 1, 2013 through June 30, 2015 either as a result of the Company's spin-off from Abbott Laboratories or with the consent of each company's head of human resources, service includes service with Abbott Laboratories that is counted for Retirement eligibility purposes under applicable law or Company procedures; and
  - (C) applicable law, Company procedures, and/or Program administration rules apply in determining credited service and Retirement eligibility.
- (q) Termination: A severance of employment for any reason (including Retirement) from the Company and all Subsidiaries. Any Termination shall be effective on the last day the Employee performs services for or on behalf of the Company or its Subsidiary, and employment shall not be extended by any statutory or common law notice of termination period.
2. Delivery Dates and Shareholder Rights. The delivery dates for Shares issuable with respect to the Units are the respective dates on which the Shares are distributable to the Employee if the Units vest pursuant to Section 4 below (each a "Delivery Date"). Prior to the Delivery Date(s):
- (a) the Employee shall not be treated as a shareholder as to any Shares issuable under the Agreement, and shall have only a contractual right to receive Shares, unsecured by any assets of the Company or its Subsidiaries;
  - (b) the Employee shall not be permitted to vote any Shares issuable under the Agreement; and
  - (c) the Employee's right to receive such Shares will be subject to the adjustment provisions relating to mergers, reorganizations, and similar events set forth in the Program.

Subject to the requirements of local law, if any dividend or other distribution is declared and paid on Shares (other than dividends or distributions of securities of the Company which may be issued with respect to its Shares by virtue of any stock split, combination, stock dividend or recapitalization) while any of the Units remain subject to this Award (meaning that any of the Shares into which Units would be converted are not otherwise issued and outstanding for purposes of the entitlement to the dividend or distribution), then a book account will be maintained for the Employee and credited with a phantom dividend that is equivalent to the actual dividend or distribution that would have been paid on the total number of Performance Shares that may be distributed under this Award if that number of Shares had been issued and outstanding and entitled to the dividend or distribution. As any Units vest under this Award, the phantom dividends credited

to the book account that are attributable to the Shares issuable with respect to such Units will vest and be distributed to the Employee (in the form in which the actual dividend or distribution was paid to shareholders or in such other form as the Administrator deems appropriate under the circumstances) concurrently with the issuance of the Shares resulting from the Unit vesting. Any such distribution is subject to the Company's collection of withholding taxes applicable to the distribution.

If fewer than all of the Performance Shares are earned as a result of the application of the vesting requirements or the forfeiture provisions of this Agreement or the Program, then the phantom dividends attributable to the unearned Shares will be cancelled and the Employee will cease to have any right or entitlement to receive any distribution or other amount with respect to such cancelled phantom dividends.

No phantom dividends will be paid or payable to or for the benefit of the Employee with respect to dividends or distributions for which the record date occurs on or after the date the Employee has forfeited the Units, or the date on which vested Units have been settled in Shares. For purposes of compliance with the requirements of Code Section 409A, to the extent applicable, the specified date for payment of any phantom dividend to which the Employee is entitled under this Section 2 is the calendar year in which the corresponding Shares vest and are distributed to the Employee. The Employee has no right to determine the year in which phantom dividends will be paid.

3. **Restrictions.** The Units (encompassing all of the Performance Shares) are subject to the forfeiture provisions in Sections 6 and 7 below. Shares are not earned and may not be sold, exchanged, assigned, transferred, pledged or otherwise disposed of (collectively, the "Restrictions") until an event or combination of events described in subsections 4(a), (b), (c) or (d) or Section 5 occurs.
4. **Vesting.** The number of Shares that become issuable under this Award, as set forth in this Section 4 and subject to the provisions of Sections 5, 6 and 7 below, will be calculated based on the extent to which the Performance Vesting Requirements described in the attached Schedule are achieved. The Committee may equitably adjust the Performance Vesting Requirements described in the attached Schedule in recognition of unusual or non-recurring events affecting the Company or any Subsidiary or the financial statements of the Company or any Subsidiary, in response to changes in applicable laws or regulations, or to account for items of gain, loss or expense determined to be unusual in nature or infrequent in occurrence or related to the acquisition or disposal of a business or assets or related to a change in accounting principles.
  - (a) **Performance.** If the Employee remains employed with the Company or its Subsidiaries as of the vesting date and has not experienced a Termination that triggers forfeiture, then the Units may be earned as described in the Schedule. The number of Shares deliverable as a result of Units being earned shall be determined in accordance with the Schedule. The Delivery Date for the Shares to be delivered as a result of Units being earned under this subsection (a) shall be no later than 75 days after the date of the applicable vesting event.
  - (b) **Retirement.** In the event of the Employee's Termination due to Retirement, the Award will remain in effect and any Units not previously vested may vest as set forth in subsection 4(a) above.

- (c) **Death.** In the event of the Employee's Termination due to death, any Units not previously vested will vest and be settled (for the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution) in the form of Shares as soon as administratively possible after, and effective as of, the date of death. The extent to which the Units vest, and the number of Shares to be delivered as a result, will be determined based on the greater of (A) performance through the date of Termination measured against the Performance Vesting Requirements set forth in the Schedule using, as applicable, adjusted earnings per share calculated through the most recent quarterly earnings release preceding or coinciding with the date of Termination and relative Total Shareholder Return (TSR) calculated as of the date of Termination, and (B) the target vesting level for the Award.
  - (d) **Disability.** In the event of the Employee's Termination due to Disability, any Units not previously vested will vest and be settled in the form of Shares as soon as administratively possible after, and effective as of, the date of Termination due to Disability. The extent to which the Units vest, and the number of Shares to be delivered as a result, will be determined based on the greater of (A) performance through the date of Termination measured against the Performance Vesting Requirements set forth in the Schedule using, as applicable, adjusted earnings per share calculated through the most recent quarterly earnings release preceding or coinciding with the date of Termination and relative TSR calculated as of the date of Termination, and (B) the target vesting level for the Award.
5. **Change in Control.** In the event of a Change in Control, the entity surviving such Change in Control or the ultimate parent thereof (referred to herein as the "Surviving Entity") may assume, convert or replace this Award with an award of at least equal value and terms and conditions not less favorable than the terms and conditions provided in this Agreement, in which case the new award will vest according to the terms of the applicable award agreement. If the Surviving Entity does not assume, convert or replace this Award, the Units will vest on the date of the Change in Control, as described below.

If the Surviving Entity does assume, convert or replace this Award, then in the event the Employee's Termination (a) occurs within the time period beginning six months immediately before a Change in Control and ending two years immediately following such Change in Control, and (b) was initiated by the Company (or the Surviving Entity) for a reason other than Cause or was initiated by the Employee for Good Reason, the Units will vest on the later of the date of the Change in Control and the date of the Employee's Termination (referred to herein as the "Applicable Vesting Date").

The extent to which the Units vest, and the number of Shares to be delivered as a result, will be determined based on the greatest of (A) performance through the date of the Change in Control measured against the Performance Vesting Requirements set forth in the Schedule using the most recent earnings information released before or on the date of the Change in Control and relative TSR calculated immediately before the Change in Control; (B) performance through the date of the Termination measured against the Performance Vesting Requirements set forth in the Schedule

using the most recent earnings information released before or on the date of the Termination and relative TSR calculated as of the date of Termination; and (C) the target vesting level for the Award.

The provisions of this Section 5 supersede Section 13(a)(iii), (iv) and (v) of the Program.

6. **Effect of Certain Bad Acts.** Any Units not previously settled will be cancelled and forfeited immediately if the Employee engages in activity that constitutes Cause, as determined in the sole opinion and discretion of the Committee or its delegate, whether or not the Employee experiences a Termination or remains employed with the Company or a Subsidiary.
7. **Forfeiture of Units; Recoupment.**
  - (a) **Effect of Termination.** In the event of the Employee's Termination for any reason other than those set forth in subsections 4(b), (c) or (d) or Section 5, any Units that have not vested as of the date of Termination will be forfeited without consideration to the Employee or the Employee's Representative. In the event that the Employee is terminated by the Company other than for Cause and in a situation not covered by Section 5, the Company may, in its sole discretion, cause some or all of the Units to remain in effect and subject to vesting in accordance with the provisions of subsection 4(a), in which case such Units will be settled in the form of Shares on the Delivery Date(s) set forth in subsection 4(a) above as if the Employee had remained employed on such dates. In accepting this Award, the Employee acknowledges that in the event of Termination (whether or not in breach of local labor laws), the Employee's right to vest in the Units, if any, will cease and will not be extended by any notice period mandated under local law (e.g., active employment does not include a period of "garden leave" or similar period pursuant to local law) and that the Company shall have the exclusive discretion to determine when Termination occurs.
  - (b) **Recoupment.** Without limiting Section 14(q) of the Program, the Units, any Shares issued upon settlement of the Units and any proceeds therefrom shall be subject to and remain subject to any incentive compensation clawback or recoupment policy of the Company (i) currently in effect, (ii) as may be adopted by the Company to comply with applicable law and/or the rules and regulations of the securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, including, without limitation, pursuant to Section 10D of the Exchange Act, Rule 10D-1 thereunder and Section 303A.14 of the New York Stock Exchange Listed Company Manual, or (iii) as may be adopted by the Company to facilitate the Company's objectives related to eliminating or reducing fraud, misconduct, wrongdoing, or violations of law by an employee or other service provider or related to improving the Company's governance practices or similar considerations and, in each case, as may be amended from time to time (the "Recoupment Policy"), with the provisions contained in such Recoupment Policy deemed incorporated into this Agreement without the Employee's additional or separate consent. For purposes of the foregoing, the Employee expressly and explicitly authorizes the Company to issue instructions, on the Employee's behalf, to any brokerage firm and/or third-party administrator engaged by the Company to hold any Shares and other amounts acquired pursuant to the Units to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company

upon the Company's enforcement of the Recoupment Policy. In accepting the Award and the terms of this Agreement, the Employee acknowledges and agrees that the Recoupment Policy shall apply to all other forms of incentive compensation awarded to the Employee, as well. No recovery of compensation as described in this Section will be an event giving rise to the Employee's right to resign for "good reason" or "constructive termination" (or similar term) under any plan of, or agreement with, the Company, a Subsidiary and/or the Employee.

8. **Withholding Taxes.** To the extent permitted under applicable law and by the Company, the Employee may satisfy any U.S. or non-U.S. federal, state, local or other applicable taxes arising from the grant of the Award, the vesting of Units or the delivery of Shares pursuant to this Agreement by:
- (a) tendering a cash payment;
  - (b) having the Company withhold Shares from the Shares to be delivered to satisfy the applicable withholding tax;
  - (c) tendering Shares received in connection with the Award back to the Company; or
  - (d) delivering other previously acquired Shares having a Fair Market Value approximately equal to the amount to be withheld.

The Company shall have the right and is hereby authorized to withhold from the Shares deliverable to the Employee pursuant to this Agreement or (to the extent permitted by applicable law, including without limitation Code Section 409A) from any other compensation or other amount owing to the Employee, such amount as may be necessary in the opinion of the Company to satisfy all such taxes, requirements and withholding obligations. If the Company withholds for tax purposes from the Shares otherwise to be delivered to the Employee, the Employee is deemed to have been issued the full number of Shares underlying the Award, subject to the vesting requirements set forth in this Agreement.

Notwithstanding the foregoing, if the Employee is subject to Section 16(b) of the Exchange Act, the Company will withhold using the method described in subsection 8(b) above unless the use of such withholding method is problematic under applicable laws or has materially adverse accounting consequences, in which case the Committee shall determine which of the other methods described in this Section 8 or in the Program shall be used to satisfy the applicable withholding obligations.

9. **No Right to Continued Employment.** This Agreement and the Employee's participation in the Program do not and shall not be interpreted to:
- (a) form an employment contract or relationship with the Company or its Subsidiaries;
  - (b) confer upon the Employee any right to continue in the employ of the Company or any of its Subsidiaries; or
  - (c) interfere with the ability of the Company or its Subsidiaries to terminate the Employee's employment at any time.

10. Nature of Grant. In accepting this Award, the Employee acknowledges and agrees that:
- (a) the Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
  - (b) this Award is a one-time benefit and does not create any contractual or other right to receive future grants of Units, benefits in lieu of Units, or other Program Benefits in the future, even if Units have been granted repeatedly in the past;
  - (c) all decisions with respect to future Unit grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;
  - (d) nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Employee;
  - (e) the Employee is voluntarily participating in the Program;
  - (f) the Units and Shares subject to the Units are:
    - (i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its Subsidiaries, and are outside the scope of the Employee's employment contract, if any;
    - (ii) not intended to replace any pension rights or compensation;
    - (iii) not part of the Employee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should they be considered as compensation for, or relating in any way to, past services for the Company or any of its Subsidiaries;
  - (g) the future value of the Shares underlying the Units is unknown and cannot be predicted with certainty;
  - (h) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from the Units resulting from (i) Termination (for any reason whatsoever) and/or (ii) the application of Sections 6 and/or 7 above and the Employee irrevocably releases the Company and its Subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim;
  - (i) the Units and the Benefits under the Program, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability; and
  - (j) neither the Company nor any of its Subsidiaries shall be liable for any change in value of the Units, the amount realized upon settlement of the Units or the amount realized upon a subsequent sale of any Shares acquired upon settlement of the Units, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

11. Data Privacy.

- (a) Pursuant to applicable personal data protection laws, the collection, processing and transfer of the Employee's personal Data is necessary for the Company's administration of the Program and the Employee's participation in the Program. The Employee's denial and/or objection to the collection, processing and transfer of personal Data may affect his or her ability to participate in the Program. As such (where required under applicable law), the Employee:
  - (i) voluntarily acknowledges, consents and agrees to the collection, use, processing and transfer of personal Data as described herein; and
  - (ii) authorizes Data recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Employee's participation in the Program, including any requisite transfer of such Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Employee's behalf to a broker or other third party with whom the Employee may elect to deposit any Shares acquired pursuant to the Program.
- (b) Data may be provided by the Employee or collected, where lawful, from third parties, and the Company and the Subsidiary that employs the Employee (if applicable) will process the Data for the exclusive purpose of implementing, administering and managing the Employee's participation in the Program. Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which the Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Employee's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Program and for the Employee's participation in the Program.
- (c) The Company and the Subsidiary that employs the Employee (if applicable) will transfer Data as necessary for the purpose of implementation, administration and management of the Employee's participation in the Program, and the Company and the Subsidiary that employs the Employee (if applicable) may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Program. These recipients may be located throughout the world.
- (d) The Employee may, at any time, exercise his or her rights provided under applicable personal data protection laws, which may include the right to:
  - (i) obtain confirmation as to the existence of the Data;
  - (ii) verify the content, origin and accuracy of the Data;

- (iii) request the integration, update, amendment, deletion or blockage (for breach of applicable laws) of the Data; and
- (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Program and the Employee's participation in the Program.

The Employee may seek to exercise these rights by contacting his or her local human resources manager.

- (e) Upon request of the Company or the Subsidiary that employs the Employee, the Employee agrees to provide an executed data privacy consent form (or any other agreement or consent that may be required by the Company and/or the Subsidiary that employs the Employee) to the Company and/or the Subsidiary that employs the Employee that the Company and/or the Subsidiary that employs the Employee may deem necessary to obtain from the Employee for the purpose of administering his or her participation in the Program in compliance with the data privacy laws in the Employee's country, either now or in the future. The Employee understands and agrees that he or she will not be able to participate in the Program if the Employee fails to provide any such requested consent or agreement.
12. **Form of Payment.** The Company may, in its sole discretion, settle the Employee's Units in the form of a cash payment to the extent settlement in Shares: (a) is prohibited under local law; (b) would require the Employee, the Company and/or its Subsidiaries to obtain the approval of any governmental and/or regulatory body in the Employee's country; (c) would result in adverse tax consequences for the Employee or the Company; or (d) is administratively burdensome. Alternatively, the Company may, in its sole discretion, settle the Employee's Units in the form of Shares but require the Employee to sell such Shares immediately or within a specified period of time following the Employee's Termination (in which case, this Agreement shall give the Company the authority to issue sales instructions on the Employee's behalf).
13. **Private Placement.** This Award is not intended to be a public offering of securities in the Employee's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this Award is not subject to the supervision of the local securities authorities.
14. **Exchange Controls.** As a condition to this Award, the Employee agrees to comply with any applicable foreign exchange rules and regulations.
15. **Compliance with Applicable Laws and Regulations.**
- (a) The Company shall not be required to issue or deliver any Shares pursuant to this Agreement pending compliance with all applicable federal and state securities and other laws (including any registration requirements or tax withholding requirements) and

compliance with the rules and practices of any stock exchange upon which the Company's Shares are listed.

- (b) Regardless of any action the Company or its Subsidiaries take with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Employee's participation in the Program and legally applicable to the Employee or deemed by the Company or its Subsidiaries to be an appropriate charge to the Employee even if technically due by the Company or its Subsidiaries ("Tax-Related Items"), the Employee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Employee's responsibility and may exceed the amount actually withheld by the Company or its Subsidiaries, if any. The Employee further acknowledges that the Company and/or its Subsidiaries: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Units, including, but not limited to, the grant, vesting or settlement of the Units, the issuance of Shares upon payment of the Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or Dividend Equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Units to reduce or eliminate the Employee's liability for Tax-Related Items or achieve any particular tax result. If the Employee has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Employee acknowledges that the Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction. If the Employee relocates to another country, the Company may establish special or alternative terms and conditions as necessary or advisable to comply with local laws, rules or regulations, to facilitate the operation and administration of the Award and the Program and/or to accommodate the Employee's relocation.
- (c) The Employee acknowledges that, depending on the Employee's or the broker's country of residence or where the Shares are listed, the Employee may be subject to insider trading restrictions and/or market abuse laws which may affect his or her ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Units) or rights linked to the value of Shares during such times the Employee is considered to have "inside information" regarding the Company as defined in the laws or regulations in his or her country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Employee placed before he or she possessed inside information. Furthermore, the Employee could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Employee understands that third parties may include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Employee acknowledges that it is the Employee's responsibility to comply with any restrictions and the Employee is advised to speak to his or her personal legal advisor on this matter.

16. Code Section 409A. Payments made pursuant to this Agreement are intended to be exempt from or otherwise comply with the provisions of Code Section 409A to the extent applicable. The Program and this Agreement shall be administered and interpreted in a manner consistent with this intent. If the Company determines that any payments under this Agreement are subject to Code Section 409A and this Agreement fails to comply with that section's requirements, the Company may, at the Company's sole discretion, and without the Employee's consent, amend this Agreement to cause it to comply with Code Section 409A or otherwise be exempt from Code Section 409A.

To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, the Employee shall not be deemed to have had a Termination unless the Employee has incurred a "separation from service" as defined in Treasury Regulation §1.409A-1(h), and amounts that would otherwise be payable pursuant to this Agreement during the six-month period immediately following the Employee's Termination (including Retirement) shall instead be paid on the first business day after the date that is six months following the Employee's Termination (or upon the Employee's death, if earlier). For purposes of Code Section 409A, to the extent applicable: (a) all payments provided hereunder shall be treated as a right to a series of separate payments and each separately identified amount to which the Employee is entitled under this Agreement shall be treated as a separate payment; (b) except as otherwise provided in Section 13(a) of the Program, upon the lapse of Restrictions pursuant to Section 5 of this Agreement, any Units not previously settled on a Delivery Date shall be settled as soon as administratively possible after, and effective as of, the date of the Change in Control or the date of the Employee's Termination (as applicable); and (c) the term "as soon as administratively possible" means a period of time that is within 60 days after the Termination or Change in Control (as applicable).

Although this Agreement and the payments provided hereunder are intended to be exempt from or otherwise comply with the requirements of Code Section 409A, the Company does not represent or warrant that this Agreement or the payments provided hereunder will comply with Code Section 409A or any other provision of federal, state, local, or non-United States law. None of the Company, its Subsidiaries, or their respective directors, officers, employees or advisors shall be liable to the Employee (or any other individual claiming a benefit through the Employee) for any tax, interest, or penalties the Employee may owe as a result of compensation paid under this Agreement, and the Company and its Subsidiaries shall have no obligation to indemnify or otherwise protect the Employee from the obligation to pay any taxes pursuant to Code Section 409A.

17. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Award, the Employee's participation in the Program or the Employee's acquisition or sale of the underlying Shares. The Employee is hereby advised to consult with the Employee's own personal tax, legal and financial advisors regarding participation in the Program before taking any action related to the Program.
18. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Employee's participation in the Program, on the Units and on any Shares acquired under the Program, to the extent the Company or any Subsidiary determines it is necessary

- or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Units and the Program, and to require the Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Employee agrees to take any and all actions, and consents to any and all actions taken by the Company and its Subsidiaries, as may be required to allow the Company and its Subsidiaries to comply with local laws, rules and regulations in the Employee's country. In addition, the Employee agrees to take any and all actions as may be required to comply with the Employee's personal obligations under local laws, rules and regulations in the Employee's country.
19. **Determinations.** Each decision, determination, interpretation or other action made or taken pursuant to the provisions of this Agreement by the Company, the Committee or any delegate of the Committee shall be final, conclusive and binding for all purposes and upon all persons, including, without limitation, the Company, the Employee, the Employee's Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.
  20. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Program by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Program through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
  21. **Addendum.** This Award shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for the Employee's country or jurisdiction. Moreover, if the Employee relocates to one of the countries or jurisdictions included in the Addendum, the special terms and conditions for such country or jurisdiction will apply to the Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Units and the Program (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Employee's relocation). The Addendum constitutes part of this Agreement.
  22. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.
  23. **Entire Agreement.** This Agreement and the Program constitute the entire agreement between the Employee and the Company regarding the Award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the Award. Except as expressly set forth herein, this Agreement (and any provision of this Agreement) may not be

modified, changed or clarified by the parties, except in a writing specifying the modification, change or clarification signed by a duly authorized Company officer.

24. Succession. This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Employee, the Employee's Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.
25. Language. The Employee acknowledges and agrees that it is the Employee's express intent that this Agreement, the Program and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Employee is in a country where English is not an official language, the Employee acknowledges that he or she is sufficiently proficient in English or has had the ability to consult with an advisor who is sufficiently proficient in the English language, so as to allow the Employee to understand the terms and conditions of this Agreement, the Program and any other documents related to the Award. If the Employee has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable law.
26. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any state's conflict of laws principles. For any legal action relating to this Agreement, the parties to this Agreement consent to the exclusive jurisdiction and venue of the federal courts of the Northern District of Illinois, USA, and, if there is no jurisdiction in federal court, to the exclusive jurisdiction and venue of the state courts in Lake County, Illinois, USA.

\* \* \*

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed on their behalf.

ABBVIE INC.

By \_\_\_\_\_

Title \_\_\_\_\_

EMPLOYEE

By: SIGNED BY ELECTRONIC SIGNATURE

BY ELECTRONICALLY ACCEPTING THE AWARD, THE EMPLOYEE AGREES THAT (1) SUCH ACCEPTANCE CONSTITUTES THE EMPLOYEE'S ELECTRONIC SIGNATURE IN EXECUTION OF THIS AGREEMENT; (2) THE EMPLOYEE AGREES TO BE BOUND

BY THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM; (3) THE EMPLOYEE HAS REVIEWED THE PROGRAM, THE AGREEMENT AND THE ADDENDUM IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO ACCEPTING THE AWARD AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM; (4) THE EMPLOYEE HAS BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE U.S. PROSPECTUS FOR THE PROGRAM; AND (5) THE EMPLOYEE HEREBY AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE OR ITS DULY AUTHORIZED DELEGATE ON ANY QUESTIONS ARISING UNDER THE PROGRAM, THE AGREEMENT AND THE ADDENDUM.

IF THE EMPLOYEE DOES NOT REJECT THE AWARD OR ELECTRONICALLY ACCEPT THE AWARD BY THE DATE THE AWARD FIRST VESTS AS SET FORTH IN THIS AGREEMENT, THE EMPLOYEE WILL BE DEEMED TO ACCEPT THE AWARD, AND THE EMPLOYEE WILL BE BOUND BY THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM.

SCHEDULE  
PERFORMANCE PERIODS AND PERFORMANCE VESTING REQUIREMENTS



ABBVIE INC.  
NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT AGREEMENT

On this %%OPTION\_DATE,'MONTH DD, YYYY'-%-% (the "Grant Date"), AbbVie Inc. (the "Company") hereby grants to %%FIRST\_NAME%-%%%%LAST\_NAME%-%% (the "Director") a Restricted Stock Unit Award (the "Award") of %%TOTAL\_SHARES\_GRANTED,'999,999,999'-%-% restricted stock units (the "Units") representing the right to receive an equal number of Shares on a specified Delivery Date.

The Award is granted under the Program and is subject to the provisions of the Program, the Program prospectus, the Program administrative rules, applicable Company policies, and the terms and conditions set forth in this Agreement. In the event of any inconsistency among the provisions of this Agreement, the provisions of the Program, the Program prospectus, and the Program administrative rules, the provisions of the Program shall control.

The terms and conditions of the Award are as follows:

1. **Definitions.** To the extent not defined herein, capitalized terms shall have the same meaning as in the Program.
  - (a) **Agreement:** This Restricted Stock Unit Agreement.
  - (b) **Data:** Certain personal information about the Director held by the Company and the Subsidiary for which the Director provides services (if applicable), including (but not limited to) the Director's name, home address and telephone number, email address, date of birth, social security, passport or other identification number, salary, nationality, job title, any Shares held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Director's favor, for the purpose of managing and administering the Program.
  - (c) **Director's Representative:** The Director's legal guardian or other legal representative.
  - (d) **Program:** The AbbVie Amended and Restated 2013 Incentive Stock Program.
  - (e) **Termination:** A termination from service for any reason (including death or retirement) with the Board of Directors of the Company and all Subsidiaries.
  
2. **Delivery Date and Shareholder Rights.** The delivery dates for Shares underlying the Units is the date on which the Shares are payable to the Director after the Restrictions on such Units lapse pursuant to Section 4 below (each a "Delivery Date"). Prior to the Delivery Date:
  - (a) the Director shall not be treated as a shareholder as to those Shares underlying the Units, and shall have only a contractual right to receive Shares, unsecured by any assets of the Company or its Subsidiaries;

- (b) the Director shall not be permitted to vote the Shares underlying the Units; and
- (c) the Director's right to receive such Shares will be subject to the adjustment provisions relating to mergers, reorganizations, and similar events set forth in the Program.

Subject to the requirements of local law, the Director shall receive cash payments equal to the dividends and distributions paid on Shares underlying the Units (the "Dividend Equivalents") (other than dividends or distributions of securities of the Company which may be issued with respect to its Shares by virtue of any stock split, combination, stock dividend or recapitalization) to the same extent and on the same date as if each Unit were a Share; provided, however, that no Dividend Equivalents shall be payable to or for the benefit of the Director with respect to dividends or distributions the record date for which occurs on or after the applicable Delivery Date, the date the Director has forfeited the Units or, in some cases due to applicable law, the date the Restrictions on the Units have lapsed. For purposes of compliance with the requirements of Code Section 409A, to the extent applicable, the specified date for payment of any Dividend Equivalents to which the Director is entitled under this Section 2 is the calendar year during the term of this Agreement in which the associated dividends or distributions are paid on Shares underlying the Units. The Director shall have no right to determine the year in which Dividend Equivalents will be paid.

- 3. **Restrictions.** The Units shall be fully vested as of the Grant Date; provided, however, that the Units will be subject to subsections (3)(a), (b), and (c) below (collectively, the "Restrictions") until the earlier to occur of the events described in subsection 4(a) or (b).
  - (a) The Units may not be sold, exchanged, assigned, transferred, pledged, or otherwise disposed of.
  - (b) Any additional Shares or other securities or property issued with respect to Shares covered by the Units as a result of any stock split, combination, stock dividend or recapitalization, shall be subject to the Restrictions and other provisions of the Program and this Agreement.
  - (c) The Director shall not be entitled to receive any Shares prior to completion of all actions deemed appropriate by the Company to comply with federal, state or other applicable securities laws and stock exchange requirements.
- 4. **Lapse of Restrictions.** The Restrictions shall lapse and have no further force or effect and Shares underlying the Units shall be settled upon the earlier of the following events (each, a "Delivery Date"):
  - (a) **Termination Event.** The date of the Director's Termination; or
  - (b) **Change in Control.** The date of occurrence of a Change in Control; provided that the event constituting a Change in Control is a "change in control event" as such term is defined in Treasury Regulation § 1.409A-3(i)(5).

5. **Withholding Taxes.** The Director may satisfy any U.S. or non-U.S. federal, state, local or other applicable taxes arising from the grant of the Award, the lapse of Restrictions or the delivery of Shares pursuant to this Agreement by:
- (a) tendering a cash payment;
  - (b) having the Company withhold Shares from the Shares to be delivered to satisfy the applicable withholding tax;
  - (c) tendering Shares received in connection with the Units back to the Company; or
  - (d) delivering other previously acquired Shares having a Fair Market Value approximately equal to the amount to be withheld.

The Company shall have the right and is hereby authorized to withhold from the Shares deliverable to the Director pursuant to this Agreement or (to the extent permitted by applicable law, including without limitation Code Section 409A) from any other compensation or other amount owing to the Director, such amount as may be necessary in the opinion of the Company to satisfy all such taxes, requirements and withholding obligations. If the Company withholds for tax purposes from the Shares otherwise to be delivered to the Director, the Director is deemed to have been issued the full number of Shares underlying the Units, subject to the Restrictions set forth in this Agreement.

Notwithstanding the foregoing, if the Director is subject to Section 16(b) of the Exchange Act, the Company will withhold using the method described in subsection 5(b) above unless the use of such withholding method is problematic under applicable laws or has materially adverse accounting consequences, in which case the Committee shall determine which of the other methods described in this Section 5 or in the Program shall be used to satisfy the applicable withholding obligations.

6. **No Right to Continued Service.** This Agreement and the Director's participation in the Program is not and shall not be interpreted to:
- (a) form a contractual or other relationship with the Company or its Subsidiaries;
  - (b) confer upon the Director any right to continue in the service of the Company or any of its Subsidiaries; or
  - (c) interfere with the ability of the Company or its Subsidiaries to terminate the Director's service at any time.
7. **No Contract as of Right.** The Award does not create any contractual or other right to receive additional Awards or other Program Benefits. Nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Director. Future Awards, if any, and their terms and conditions, will be at the sole discretion of the Committee.

8. Data Privacy.

- (a) Pursuant to applicable personal data protection laws, the collection, processing and transfer of the Director's personal Data is necessary for the Company's administration of the Program and the Director's participation in the Program. The Director's denial and/or objection to the collection, processing and transfer of personal Data may affect his or her ability to participate in the Program. As such (where required under applicable law), the Director:
  - (i) voluntarily acknowledges, consents and agrees to the collection, use, processing and transfer of personal Data as described herein; and
  - (ii) authorizes Data recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Director's participation in the Program, including any requisite transfer of such Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Director's behalf to a broker or other third party with whom the Director may elect to deposit any Shares acquired pursuant to the Program.
- (b) Data may be provided by the Director or collected, where lawful, from third parties, and the Company will process the Data for the exclusive purpose of implementing, administering and managing the Director's participation in the Program. Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which the Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Director's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Program and for the Director's participation in the Program.
- (c) The Company will transfer Data as necessary for the purpose of implementation, administration and management of the Director's participation in the Program, and the Company and the Subsidiary that served by the Director (if applicable) may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Program. These recipients may be located throughout the world.
- (d) The Director may, at any time, exercise his or her rights provided under applicable personal data protection laws, which may include the right to:
  - (i) obtain confirmation as to the existence of the Data;

- (ii) verify the content, origin and accuracy of the Data;
- (iii) request the integration, update, amendment, deletion or blockage (for breach of applicable laws) of the Data; and
- (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Program and the Director's participation in the Program.

The Director may seek to exercise these rights by contacting the Company's corporate human resources department.

- (e) Upon request of the Company, the Director agrees to provide an executed data privacy consent form (or any other agreement or consent that may be required by the Company) to the Company that the Company may deem necessary to obtain from the Director for the purpose of administering his or her participation in the Program in compliance with the data privacy laws in the Director's country, either now or in the future. The Director understands and agrees that he or she will not be able to participate in the Program if the Director fails to provide any such requested consent or agreement.

9. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Units, the Director's participation in the Program or the Director's acquisition or sale of the underlying Shares. The Director is hereby advised to consult with the Director's own personal tax, legal and financial advisors regarding participation in the Program before taking any action related to the Program.
10. **Entire Agreement.** This Agreement and the Program constitute the entire agreement between the Director and the Company regarding the Award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the Award. Except as expressly set forth herein, this Agreement (and any provision of this Agreement) may not be modified, changed or clarified by the parties, except in a writing specifying the modification, change or clarification signed by a duly authorized Company officer.
11. **Succession.** This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Director, the Director's Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.
12. **Compliance with Applicable Laws and Regulations.** The Company shall not be required to issue or deliver any Shares pursuant to this Agreement pending compliance with all applicable federal and state securities and other laws (including any registration

requirements or tax withholding requirements) and compliance with the rules and practices of any stock exchange upon which the Company's Shares are listed. If the Director relocates to another country, the Company may establish special or alternate terms and conditions as necessary or advisable to comply with local laws, rules or regulations, to facilitate the operation and administration of the Award and the Program and/or to accommodate the Director's relocation.

13. Code Section 409A. Payments made pursuant to this Agreement are intended to be exempt from or otherwise comply with the provisions of Code Section 409A to the extent applicable. The Program and this Agreement shall be administered and interpreted in a manner consistent with this intent. If the Company determines that any payments under this Agreement are subject to Code Section 409A and this Agreement fails to comply with that section's requirements, the Company may, at the Company's sole discretion, and without the Director's consent, amend this Agreement to cause it to comply with Code Section 409A or otherwise be exempt from Code Section 409A.

To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, the Director shall not be deemed to have had a Termination unless the Director has incurred a "separation from service" as defined in Treasury Regulation §1.409A-1(h), and amounts that would otherwise be payable pursuant to this Agreement during the six-month period immediately following the Director's Termination shall instead be paid on the first business day after the date that is six months following the Director's Termination (or upon the Director's death, if earlier). For purposes of Code Section 409A, to the extent applicable, all payments provided hereunder shall be treated as a right to a series of separate payments and each separately identified amount to which the Director is entitled under this Agreement shall be treated as a separate payment.

Although this Agreement and the payments provided hereunder are intended to be exempt from or otherwise comply with the requirements of Code Section 409A, the Company does not represent or warrant that this Agreement or the payments provided hereunder will comply with Code Section 409A or any other provision of federal, state, local, or non-United States law. None of the Company, its Subsidiaries, or their respective directors, officers, employees or advisers shall be liable to the Director (or any other individual claiming a benefit through the Director) for any tax, interest, or penalties the Director may owe as a result of compensation paid under this Agreement, and the Company and its Subsidiaries shall have no obligation to indemnify or otherwise protect the Director from the obligation to pay any taxes pursuant to Code Section 409A.

14. Determinations. Each decision, determination, interpretation or other action made or taken pursuant to the provisions of this Agreement by the Company, the Committee or any delegate of the Committee shall be final, conclusive and binding for all purposes and upon all persons, including, without limitation, the Company, the Director, the Director's

Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.

15. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.
16. **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any state's conflict of laws principles. For any legal action relating to this Agreement, the parties to this Agreement consent to the exclusive jurisdiction and venue of the federal courts of the Northern District of Illinois, USA, and, if there is no jurisdiction in federal court, to the exclusive jurisdiction and venue of the state courts in Lake County, Illinois, USA.

\* \* \*

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed on their behalf.

ABBVIE INC.

By \_\_\_\_\_

Title \_\_\_\_\_

DIRECTOR

By: SIGNED BY ELECTRONIC SIGNATURE

BY ELECTRONICALLY ACCEPTING THE AWARD, THE DIRECTOR AGREES THAT (1) SUCH ACCEPTANCE CONSTITUTES THE DIRECTOR'S ELECTRONIC SIGNATURE IN EXECUTION OF THIS AGREEMENT; (2) THE DIRECTOR AGREES TO BE BOUND BY THE PROVISIONS OF THE PROGRAM AND THE AGREEMENT; (3) THE DIRECTOR HAS REVIEWED THE PROGRAM AND THE AGREEMENT IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO ACCEPTING THE AWARD AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THE PROGRAM AND THE AGREEMENT; (4) THE DIRECTOR HAS BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE U.S. PROSPECTUS FOR THE PROGRAM; AND

(5) THE DIRECTOR HEREBY AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE OR ITS DULY AUTHORIZED DELEGATE ON ANY QUESTIONS ARISING UNDER THE PROGRAM AND THE AGREEMENT.



ABBVIE INC.  
NON-QUALIFIED STOCK OPTION AGREEMENT

On this %%OPTION\_DATE,'MONTH DD, YYYY'%%-%% (the "Grant Date"), AbbVie Inc. (the "Company") hereby grants to %%FIRST\_NAME%%-%% %%LAST\_NAME%%-%% (the "Employee") an Option (the "Option") to purchase a total of %%TOTAL\_SHARES\_GRANTED,'999,999,999'%%-%% Shares, at the price of %%OPTION\_PRICE,'\$999,999,999.99'%%-%% per Share (the "Exercise Price"), such price being not less than 100% of the Fair Market Value of the Shares on the Grant Date.

The Option is granted under the Program and is subject to the provisions of the Program, the Program prospectus, the Program administrative rules, applicable Company policies, and the terms and conditions set forth in this Agreement. In the event of any inconsistency among the provisions of this Agreement, the provisions of the Program, the Program prospectus, and the Program administrative rules, the provisions of the Program shall control.

The terms and conditions of the Option granted to the Employee are as follows:

1. **Definitions.** To the extent not defined herein, capitalized terms shall have the same meaning as in the Program.
  - (a) **Agreement:** This Non-Qualified Stock Option Agreement.
  - (b) **Cause:** Unless otherwise defined in the Employee's Change in Control Agreement, cause shall mean the following, as determined by the Company in its sole discretion:
    - (i) material breach by the Employee of the terms and conditions of the Employee's employment, including, but not limited to:
      - (A) material breach by the Employee of the Code of Business Conduct;
      - (B) material breach by the Employee of the Employee's Employee Agreement;
      - (C) commission by the Employee of an act of fraud, embezzlement or theft in connection with the Employee's duties or in the course of the Employee's employment;
      - (D) wrongful disclosure by the Employee of secret processes or confidential information of the Company or any of its Subsidiaries; or
      - (E) failure by the Employee to substantially perform the duties of the Employee's employment (other than any such failure resulting from the Employee's Disability); or

- (ii) to the extent permitted by applicable law, engagement by the Employee, directly or indirectly, for the benefit of the Employee or others, in any activity, employment or business which is competitive with the Company or any of its Subsidiaries.
- (c) Change in Control Agreement: An agreement regarding Change in Control in effect between the Company (or the Surviving Entity) and the Employee.
- (d) Code of Business Conduct: The Company's Code of Business Conduct, as amended from time to time.
- (e) Controlled Group: AbbVie Inc. and any corporation, partnership and proprietorship under common control (as defined under the aggregation rules of Code Section 414 (b), (c), or (m)) with AbbVie Inc.
- (f) Data: Certain personal information about the Employee held by the Company and the Subsidiary that employs the Employee (if applicable), including (but not limited to) the Employee's name, home address and telephone number, email address, date of birth, social security, passport or other identification number, salary, nationality, job title, any Shares held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Employee's favor, for the purpose of managing and administering the Program.
- (g) Disability: Sickness or accidental bodily injury, directly and independently of all other causes, that disables the Employee so that the Employee is completely prevented from performing all the duties of his or her occupation or employment.
- (h) Employee Agreement: The Employee Agreement entered into by and between the Company or a Subsidiary and the Employee as it may be amended from time to time.
- (i) Employee's Representative: The Employee's legal guardian or other legal representative.
- (j) Good Reason: Unless otherwise defined in the Employee's Change in Control Agreement, good reason shall mean the occurrence of any of the following circumstances without the Employee's express written consent:
  - (i) a significant adverse change in the nature, scope or status of the Employee's position, authorities or duties from those in effect immediately prior to the Change in Control, including, without limitation, if the Employee was, immediately prior to the Change in Control, an officer of a public company, the Employee ceasing to be an officer of a public company;
  - (ii) the failure by the Company or a Subsidiary to pay the Employee any portion of the Employee's current compensation, or to pay the Employee any portion of any installment of deferred compensation under any

deferred compensation program of the Company, within seven days of the date such compensation is due;

- (iii) a reduction in the Employee's annual base salary (or a material change in the frequency of payment) as in effect immediately prior to the Change in Control as the same may be increased from time to time;
  - (iv) the failure by the Company or a Subsidiary to award the Employee an annual bonus in any year which is at least equal to the annual bonus awarded to the Employee under the annual bonus plan of the Company or Subsidiary for the year immediately preceding the year of the Change in Control;
  - (v) the failure by the Company to award the Employee equity-based incentive compensation (such as stock options, shares of restricted stock, restricted stock units, or other equity-based compensation) on a periodic basis consistent with the Company's practices with respect to timing, value and terms prior to the Change in Control;
  - (vi) the failure by the Company or a Subsidiary to continue to provide the Employee with the welfare benefits, fringe benefits and perquisites enjoyed by the Employee immediately prior to the Change in Control under any of the Company's or Subsidiary's plans or policies, including, but not limited to, those plans and policies providing pension, life insurance, medical, health and accident, disability and vacation;
  - (vii) the relocation of the Employee's base office to a location that is more than 35 miles from the Employee's base office immediately prior to the Change in Control; or
  - (viii) the failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement as contemplated in Section 6.
- (k) Option: The Non-Qualified Stock Option granted pursuant to this Agreement.
- (l) Program: The AbbVie Amended and Restated 2013 Incentive Stock Program.
- (m) Retirement:
- (i) Except as provided under (ii) or (iii) below, Retirement means either of the following:
    - age 55 with 10 years of service; or
    - age 60 with five years of service; or
    - age 65 with at least three years of service.

- (ii) For Employees who (A) transferred to the Company directly from Abbott Laboratories either as a result of the Company's spin-off from Abbott Laboratories or during the period from January 1, 2013 through June 30, 2015 with the consent of each company's head of human resources, and (B) were hired into the Abbott Laboratories controlled group prior to January 1, 2004, Retirement means either of the following:
      - age 50 with 10 years of service; or
      - age 65 with three years of service.
    - (iii) For purposes of calculating service under this Section 1(m), except as otherwise provided by the Committee or its delegate:
      - (A) service is earned only if performed for a member of the Controlled Group while that Controlled Group member is a part of the Controlled Group as defined in Section 1(e) of this Agreement;
      - (B) for Employees who transferred to the Company directly from Abbott Laboratories during the period from January 1, 2013 through June 30, 2015 either as a result of the Company's spin-off from Abbott Laboratories or with the consent of each company's head of human resources, service includes service with Abbott Laboratories that is counted for Retirement eligibility purposes under applicable law or Company procedures; and
      - (C) applicable law, Company procedures, and/or Program administration rules apply in determining credited service and Retirement eligibility.
  - (n) Termination: A severance of employment for any reason (including Retirement) from the Company and all Subsidiaries. Any Termination shall be effective on the last day the Employee performs services for or on behalf of the Company or its Subsidiary, and employment shall not be extended by any statutory or common law notice of termination period.
2. Term of Option. Subject to Sections 5 and 7, the Employee may exercise all or a portion of the vested Option at any time prior to the 10th anniversary of the Grant Date (the "Expiration Date"); provided that the Option may be exercised with respect to whole Shares only. In no event shall the Option be exercisable on or after the Expiration Date. To the extent the Option is not exercised prior to the Expiration Date (or any earlier expiration of the Option pursuant to Sections 5 and 7), it shall be canceled and forfeited.
3. Vesting. The Option shall vest and become exercisable as follows:
- (a) on the first anniversary of the Grant Date, one-third of the total number of Shares may be purchased;

- (b) on the second anniversary of the Grant Date, two-thirds of the total number of Shares may be purchased; and
- (c) on the third anniversary of the Grant Date, the Option may be exercised in full.

The Option is not earned and the Employee has no right to purchase the underlying Shares until an event described above occurs. The vesting described above is cumulative, so that at each vesting date an additional amount of Shares is available for purchase and remains available until the Option's Expiration Date or such earlier date determined pursuant to Section 5 or 7 below.

4. Exercise of the Option. To the extent vested, the Option may be exercised in whole or in part as follows:

- (a) Who May Hold/Exercise the Option.
  - (i) General Rule - Exercise by Employee Only. During the lifetime of the Employee, the Option may be exercised only by the Employee or the Employee's Representative.
  - (ii) Death Exception. If the Employee dies, then the Option may be exercised only by the executor or administrator of the estate of the Employee or the person or persons to whom rights under the Option have passed by will or the laws of descent or distribution. Such person(s) shall furnish the appropriate tax clearances, proof of the right of such person(s) to exercise the Option, and other pertinent data as the Company may deem necessary.
  - (iii) Transferability. Except as otherwise provided by the Committee or its delegate, the Option is not transferable other than by will or the laws of descent and distribution. It may not be assigned, transferred (except by will or the laws of descent and distribution), pledged or hypothecated in any way, whether by operation of law or otherwise, and shall not be subject to execution, attachment, or similar process. Any attempt at assignment, transfer, pledge, hypothecation, or other disposition of the Option contrary to the provisions hereof, and the levy of any attachment or similar process upon such Option, shall be null and void.
- (b) Method of Exercise. Subject to the requirements of local law, the Option may be exercised only by:
  - (i) delivery to the designated employee or agent of the Company of a written, electronic, or telephonic notice of exercise, specifying the number of Shares with respect to which the Option is then being exercised, and payment of the full Exercise Price of the Shares being purchased in cash or with other Shares held by the Employee having a then Fair Market Value equal to the Exercise Price;

- (ii) delivery of a properly-executed exercise notice together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds to pay the Exercise Price;
- (iii) a combination of (i) and (ii) above; or
- (iv) any other manner approved by the Committee from time to time.

Each method of exercise requires payment of the full amount of any U.S. and non-U.S. federal, state, local or other applicable taxes which the Company believes are required to be withheld and paid with respect to such exercise, as described below.

Notwithstanding the foregoing, the Company may require payment in a particular or different method of exercise than those methods specified in Section 4(b)(i) - (iii), may allow the Employee to exercise the Option only by means of a cashless exercise (either a cashless "sell all" exercise or a cashless "sell-to-cover" exercise) as it shall determine in its sole discretion, or may require the Employee to sell any Shares the Employee acquired under the Program immediately or within a specified period following the Employee's Termination (in which case, this Agreement shall give the Company the authority to issue sales instructions on the Employee's behalf).

- (c) Payment of Taxes. To the extent permitted under applicable law and by the Company, the Employee may satisfy any U.S. or non-U.S. federal, state, local or other applicable taxes arising from any transaction related to the exercise of the Option pursuant to this Agreement by:
  - (i) tendering a cash payment;
  - (ii) having the Company withhold Shares from the Option exercised to satisfy the applicable withholding tax;
  - (iii) tendering Shares received in connection with the Option back to the Company; or
  - (iv) delivering other previously acquired Shares having a Fair Market Value approximately equal to the amount to be withheld.

The Company shall have the right and is hereby authorized to withhold from the Shares transferable to the Employee upon any exercise of the Option or (to the extent permitted by applicable law, including without limitation Code Section 409A) from any other compensation or other amount owing to the Employee such amount as may be necessary in the opinion of the Company to satisfy all such tax and withholding obligations.

Notwithstanding the foregoing, if the Employee is subject to Section 16(b) of the Exchange Act, the Company will withhold using the method described in subsection 4(c)(ii) above unless the use of such withholding method is problematic under applicable laws or has materially adverse accounting consequences, in which

case the Committee shall determine which of the other methods described in this subsection 4(c) or in the Program shall be used to satisfy the applicable withholding obligations.

5. **Effect of Termination or Death on the Option.** By accepting this Option grant, the Employee acknowledges that, except as otherwise provided in this Agreement, in the event of Termination (whether or not in breach of local labor laws), the Employee's right to vest in the Option under the Program, if any, will cease and will not be extended by any notice period mandated under local law (e.g., active employment does not include a period of "garden leave" or similar period pursuant to local law) and that the Company shall have the exclusive discretion to determine Termination occurs.
- (a) **Termination due to Retirement.** Subject to Sections 7 and 8 below, in the event of Termination due to Retirement, then (regardless of any subsequent death of the Employee) the Option will continue to vest pursuant to Section 3, and the last date on which the Option may be exercised is the day prior to the Expiration Date.
  - (b) **Termination due to Disability.** Subject to Sections 7 and 8 below, in the event of Termination due to Disability, then (regardless of any subsequent death of the Employee) the Option will continue to vest pursuant to Section 3, and the last date on which the Option may be exercised is the day prior to the Expiration Date.
  - (c) **Termination due to Death of the Employee.** In the event of the death of the Employee during employment, the Option will continue to vest pursuant to Section 3, and the last date on which the Option may be exercised is the day prior to the Expiration Date.
  - (d) **Termination for Reason Other than under Subsection 5(a), (b), or (c) or Section 6.**
    - (i) **Options Granted Within Nine Months of Termination.** Any Option granted less than nine months prior to a Termination for any reason other than those set forth in subsections 5(a), (b) or (c) or Section 6 shall be cancelled and forfeited immediately upon such Termination.
    - (ii) **Options Granted Nine Months or More Prior to Termination.** Subject to Sections 7 and 8 below, an Option granted nine months or more prior to a Termination for any reason other than those set forth in subsections 5(a), (b) or (c) or Section 6 will continue to vest and shall be exercisable to the extent permitted by Section 3 for a three-month period after the Employee's effective date of Termination, but in no event shall such Option be exercised on or after the Expiration Date. In the event of the death of the Employee during the three-month period after the Employee's effective date of Termination, the Option shall continue to vest and be exercisable for a three-month period measured from the date of death, but in no event shall such Option be exercised on or after the Expiration Date.

6. **Change in Control.** In the event of a Change in Control, the entity surviving such Change in Control or the ultimate parent thereof (referred to herein as the “Surviving Entity”) may assume, convert or replace this Option with an award of at least equal value and terms and conditions not less favorable than the terms and conditions provided in this Agreement, in which case the new award will vest according to the terms of the applicable award agreement. If the Surviving Entity does not assume, convert or replace this Option, the Option shall vest on the date of the Change in Control. If the Surviving Entity does assume, convert or replace this Option, then in the event the Employee’s Termination (a) occurs within the time period beginning six months immediately before a Change in Control and ending two years immediately following such Change in Control, and (b) was initiated by the Company (or the Surviving Entity) for a reason other than Cause or was initiated by the Employee for Good Reason, the Option will become fully vested and exercisable as of the later of the date of the Change in Control and the date of the Employee’s Termination. The provisions of this Section 6 shall supersede Section 13(a)(i) of the Program.
  
7. **Effect of Certain Bad Acts.** The Option shall be cancelled and forfeited immediately if, in the sole opinion and discretion of the Committee or its delegate, the Employee:
  - (a) commits a material breach of the terms and conditions of the Employee’s employment, including, but not limited to:
    - (i) material breach by the Employee of the Code of Business Conduct;
    - (ii) material breach by the Employee of the Employee’s Employee Agreement or employment contract, if any;
    - (iii) commission by the Employee of an act of fraud, embezzlement or theft in connection with the Employee’s duties or in the course of the Employee’s employment;
    - (iv) wrongful disclosure by the Employee of secret processes or confidential information of the Company or any of its Subsidiaries; or
    - (v) failure by the Employee to substantially perform the duties of the Employee’s employment (other than any such failure resulting from the Employee’s Disability); or
  - (b) to the extent permitted by applicable law, engagement by the Employee, directly or indirectly, for the benefit of the Employee or others, in any activity, employment or business which is competitive with the Company or any of its Subsidiaries.
  
8. **Recoupment.** Without limiting Section 14(q) of the Program, the Option, any Shares issued upon exercise of the Option and any proceeds therefrom shall be subject to and remain subject to any incentive compensation clawback or recoupment policy of the Company (i) currently in effect, (ii) as may be adopted by the Company to comply with applicable law and/or the rules and regulations of the securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, including, without limitation,

pursuant to Section 10D of the Exchange Act, Rule 10D-1 thereunder and Section 303A.14 of the New York Stock Exchange Listed Company Manual, or (iii) as may be adopted by the Company to facilitate the Company's objectives related to eliminating or reducing fraud, misconduct, wrongdoing, or violations of law by an employee or other service provider or related to improving the Company's governance practices or similar considerations and, in each case, as may be amended from time to time (the "Recoupment Policy"), with the provisions contained in such Recoupment Policy deemed incorporated into this Agreement without the Employee's additional or separate consent. For purposes of the foregoing, the Employee expressly and explicitly authorizes the Company to issue instructions, on the Employee's behalf, to any brokerage firm and/or third-party administrator engaged by the Company to hold any Shares and other amounts acquired pursuant to the Option to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of the Recoupment Policy. In accepting the Award and the terms of this Agreement, the Employee acknowledges and agrees that the Recoupment Policy shall apply to all other forms of incentive compensation awarded to the Employee, as well. No recovery of compensation as described in this Section will be an event giving rise to the Employee's right to resign for "good reason" or "constructive termination" (or similar term) under any plan of, or agreement with, the Company, a Subsidiary and/or the Employee.

9. No Right to Continued Employment. This Agreement and the Employee's participation in the Program do not and shall not be interpreted to:
  - (a) form an employment contract or relationship with the Company or its Subsidiaries;
  - (b) confer upon the Employee any right to continue in the employ of the Company or any of its Subsidiaries; or
  - (c) interfere with the ability of the Company or its Subsidiaries to terminate the Employee's employment at any time.
  
10. Nature of Grant. In accepting this Option grant, the Employee acknowledges and agrees that:
  - (a) the Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
  - (b) this Option grant is a one-time benefit and does not create any contractual or other right to receive future grants of Options, benefits in lieu of Options, or other Program benefits in the future, even if Options have been granted repeatedly in the past;
  - (c) all decisions with respect to future Option grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;
  - (d) nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Employee;

- (e) the Employee is voluntarily participating in the Program;
- (f) the Option and Shares subject to the Option are:
  - (i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its Subsidiaries, and are outside the scope of the Employee's employment contract, if any;
  - (ii) not intended to replace any pension rights or compensation;
  - (iii) not part of the Employee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should they be considered as compensation for, or relating in any way to, past services for the Company or any of its Subsidiaries;
- (g) the future value of the Shares underlying the Option is unknown and cannot be predicted with certainty;
- (h) in consideration of this Option grant, no claim or entitlement to compensation or damages shall arise from the Option resulting from (i) Termination (for any reason whatsoever) and/or (ii) the application of Sections 7 and 8 above and the Employee irrevocably releases the Company and its Subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim;
- (i) the Option and the Benefits under the Program, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability; and
- (j) neither the Company nor any of its Subsidiaries shall be liable for any change in value of the Option, the amount realized upon exercise of the Option or the amount realized upon a subsequent sale of any Shares acquired upon exercise of the Option, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

11. Data Privacy.

- (a) Pursuant to applicable personal data protection laws, the collection, processing and transfer of the Employee's personal Data is necessary for the Company's administration of the Program and the Employee's participation in the Program. The Employee's denial and/or objection to the collection, processing and transfer of personal Data may affect his or her ability to participate in the Program. As such (where required under applicable law), the Employee:

- (i) voluntarily acknowledges, consents and agrees to the collection, use, processing and transfer of personal Data as described herein; and
  - (ii) authorizes Data recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Employee's participation in the Program, including any requisite transfer of such Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Employee's behalf to a broker or other third party with whom the Employee may elect to deposit any Shares acquired pursuant to the Program.
- (b) Data may be provided by the Employee or collected, where lawful, from third parties, and the Company and the Subsidiary that employs the Employee (if applicable) will process the Data for the exclusive purpose of implementing, administering and managing the Employee's participation in the Program. Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which the Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Employee's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Program and for the Employee's participation in the Program.
- (c) The Company and the Subsidiary that employs the Employee (if applicable) will transfer Data as necessary for the purpose of implementation, administration and management of the Employee's participation in the Program, and the Company and the Subsidiary that employs the Employee (if applicable) may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Program. These recipients may be located throughout the world.
- (d) The Employee may, at any time, exercise his or her rights provided under applicable personal data protection laws, which may include the right to:
  - (i) obtain confirmation as to the existence of the Data;
  - (ii) verify the content, origin and accuracy of the Data;
  - (iii) request the integration, update, amendment, deletion or blockage (for breach of applicable laws) of the Data; and
  - (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Program and the Employee's participation in the Program.

The Employee may seek to exercise these rights by contacting his or her local human resources manager.

- (e) Upon request of the Company or the Subsidiary that employs the Employee, the Employee agrees to provide an executed data privacy consent form (or any other agreement or consent that may be required by the Company and/or the Subsidiary that employs the Employee) to the Company and/or the Subsidiary that employs the Employee that the Company and/or the Subsidiary that employs the Employee may deem necessary to obtain from the Employee for the purpose of administering his or her participation in the Program in compliance with the data privacy laws in the Employee's country, either now or in the future. The Employee understands and agrees that he or she will not be able to participate in the Program if the Employee fails to provide any such requested consent or agreement.
12. **Private Placement.** This Option grant is not intended to be a public offering of securities in the Employee's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this Option grant is not subject to the supervision of the local securities authorities.
13. **Exchange Controls.** As a condition to this Option grant, the Employee agrees to comply with any applicable foreign exchange rules and regulations.
14. **Compliance with Applicable Laws and Regulations.**
- (a) The Company shall not be required to issue or deliver any Shares pursuant to this Agreement pending compliance with all applicable federal and state securities and other laws (including any registration requirements or tax withholding requirements) and compliance with the rules and practices of any stock exchange upon which the Company's Shares are listed.
  - (b) Regardless of any action the Company or its Subsidiaries take with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Employee's participation in the Program and legally applicable to the Employee or deemed by the Company or its Subsidiaries to be an appropriate charge to the Employee even if technically due by the Company or its Subsidiaries ("Tax-Related Items"), the Employee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Employee's responsibility and may exceed the amount actually withheld by the Company or its Subsidiaries, if any. The Employee further acknowledges that the Company and/or its Subsidiaries: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the issuance of Shares upon exercise of the Option, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends; and (ii) do not commit

to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Employee's liability for Tax-Related Items or achieve any particular tax result. If the Employee has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Employee acknowledges that the Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction. If the Employee relocates to another country, the Company may establish special or alternative terms and conditions as necessary or advisable to comply with local laws, rules or regulations, to facilitate the operation and administration of the Option and the Program and/or to accommodate the Employee's relocation.

- (c) The Employee acknowledges that, depending on the Employee's or the broker's country of residence or where the Shares are listed, the Employee may be subject to insider trading restrictions and/or market abuse laws which may affect his or her ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Options) or rights linked to the value of Shares during such times the Employee is considered to have "inside information" regarding the Company as defined in the laws or regulations in his or her country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Employee placed before he or she possessed inside information. Furthermore, the Employee could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Employee understands that third parties may include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Employee acknowledges that it is the Employee's responsibility to comply with any restrictions and the Employee is advised to speak to his or her personal legal advisor on this matter.

15. Code Section 409A. The Option is intended to be exempt from the requirements of Code Section 409A. The Program and this Agreement shall be administered and interpreted in a manner consistent with this intent. If the Company determines that the Option is subject to Code Section 409A and this Agreement fails to comply with that section's requirements, the Company may, at the Company's sole discretion, and without the Employee's consent, amend this Agreement to cause it to comply with Code Section 409A or otherwise be exempt from Code Section 409A.

Although this Agreement and Benefits provided hereunder are intended to be exempt from the requirements of Code Section 409A, the Company does not represent or warrant that this Agreement or the Benefits provided hereunder will comply with Code Section 409A or any other provision of federal, state, local, or non-United States law. None of the Company, its Subsidiaries, or their respective directors, officers, employees or advisers shall be liable to the Employee (or any other individual claiming a benefit through the

Employee) for any tax, interest, or penalties the Employee may owe as a result of compensation paid under this Agreement, and the Company and its Subsidiaries shall have no obligation to indemnify or otherwise protect the Employee from the obligation to pay any taxes pursuant to Code Section 409A.

16. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Option, the Employee's participation in the Program or the Employee's acquisition or sale of the underlying Shares. The Employee is hereby advised to consult with the Employee's own personal tax, legal and financial advisors regarding participation in the Program before taking any action related to the Program.
17. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Employee's participation in the Program, on the Option and on any Shares acquired under the Program, to the extent the Company or any Subsidiary determines it is necessary or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Option and the Program, and to require the Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Employee agrees to take any and all actions, and consents to any and all actions taken by the Company and its Subsidiaries, as may be required to allow the Company and its Subsidiaries to comply with local laws, rules and regulations in the Employee's country. In addition, the Employee agrees to take any and all actions as may be required to comply with the Employee's personal obligations under local laws, rules and regulations in the Employee's country.
18. **Determinations.** Each decision, determination, interpretation or other action made or taken pursuant to the provisions of this Agreement by the Company, the Committee or any delegate of the Committee shall be final, conclusive and binding for all purposes and upon all persons, including, without limitation, the Company, the Employee, the Employee's Representative, and the person or persons to whom rights under the Option have passed by will or the laws of descent or distribution.
19. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Program by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Program through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
20. **Addendum.** This Option grant shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for the Employee's country or jurisdiction. Moreover, if the Employee relocates to one of the countries or jurisdictions included in the Addendum, the special terms and conditions for such country or jurisdiction will apply to the Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or

regulations or facilitate the operation and administration of the Option and the Program (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Employee's relocation). The Addendum constitutes part of this Agreement.

21. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.
22. **Entire Agreement.** This Agreement and the Program constitute the entire agreement between the Employee and the Company regarding the Option and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the Option. Except as expressly set forth herein, this Agreement (and any provision of this Agreement) may not be modified, changed or clarified by the parties, except in a writing specifying the modification, change or clarification signed by a duly authorized Company officer.
23. **Succession.** This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Employee, the Employee's Representative, and the person or persons to whom rights under the Option have passed by will or the laws of descent or distribution.
24. **Language.** The Employee acknowledges and agrees that it is the Employee's express intent that this Agreement, the Program and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Employee is in a country where English is not an official language, the Employee acknowledges that he or she is sufficiently proficient in English or has had the ability to consult with an advisor who is sufficiently proficient in the English language, so as to allow the Employee to understand the terms and conditions of this Agreement, the Program and any other documents related to the Option. If the Employee has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable law.
25. **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any state's conflict of laws principles. For any legal action relating to this Agreement, the parties to this Agreement consent to the exclusive jurisdiction and venue of the federal courts of the

Northern District of Illinois, USA, and, if there is no jurisdiction in federal court, to the exclusive jurisdiction and venue of the state courts in Lake County, Illinois, USA.

\* \* \*

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed on their behalf.

ABBVIE INC.

By \_\_\_\_\_

Title \_\_\_\_\_

EMPLOYEE

By: SIGNED BY ELECTRONIC SIGNATURE

BY ELECTRONICALLY ACCEPTING THE OPTION, THE EMPLOYEE AGREES THAT (1) SUCH ACCEPTANCE CONSTITUTES THE EMPLOYEE'S ELECTRONIC SIGNATURE IN EXECUTION OF THIS AGREEMENT; (2) THE EMPLOYEE AGREES TO BE BOUND BY THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM; (3) THE EMPLOYEE HAS REVIEWED THE PROGRAM, THE AGREEMENT AND THE ADDENDUM IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO ACCEPTING THE OPTION AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM; (4) THE EMPLOYEE HAS BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE U.S. PROSPECTUS FOR THE PROGRAM; AND (5) THE EMPLOYEE HEREBY AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE OR ITS DULY AUTHORIZED DELEGATE ON ANY QUESTIONS ARISING UNDER THE PROGRAM, THE AGREEMENT AND THE ADDENDUM.

IF THE EMPLOYEE DOES NOT REJECT THE OPTION OR ELECTRONICALLY ACCEPT THE OPTION BY THE FIRST VESTING DATE FOR THE OPTION SET FORTH IN SECTION 3 OF THIS AGREEMENT, THE EMPLOYEE WILL BE DEEMED TO ACCEPT THE OPTION, AND THE EMPLOYEE WILL BE BOUND BY THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM



ABBVIE INC.  
RESTRICTED STOCK UNIT AGREEMENT

On this %%OPTION\_DATE,'MONTH DD, YYYY'%%-%% (the "Grant Date"), AbbVie Inc. (the "Company") hereby grants to %%FIRST\_NAME%%-%% %%LAST\_NAME%%-%% (the "Employee") a Restricted Stock Unit Award (the "Award") of %%TOTAL\_SHARES\_GRANTED,'999,999,999'%%-%% restricted stock units (the "Units") representing the right to receive an equal number of Shares on a specified Delivery Date.

The Award is granted under the Program and is subject to the provisions of the Program, the Program prospectus, the Program administrative rules, applicable Company policies, and the terms and conditions set forth in this Agreement. In the event of any inconsistency among the provisions of this Agreement, the provisions of the Program, the Program prospectus, and the Program administrative rules, the provisions of the Program shall control.

The terms and conditions of the Award are as follows:

1. **Definitions.** To the extent not defined herein, capitalized terms shall have the same meaning as in the Program.
  - (a) **Agreement:** This Restricted Stock Unit Agreement.
  - (b) **Cause:** Cause shall mean the following, as determined by the Company in its sole discretion:
    - (i) material breach by the Employee of the terms and conditions of the Employee's employment, including, but not limited to:
      - (A) material breach by the Employee of the Code of Business Conduct;
      - (B) material breach by the Employee of the Employee's Employee Agreement or employment contract, if any;
      - (C) commission by the Employee of an act of fraud, embezzlement or theft in connection with the Employee's duties or in the course of the Employee's employment;
      - (D) wrongful disclosure by the Employee of secret processes or confidential information of the Company or any of its Subsidiaries; or
      - (E) failure by the Employee to substantially perform the duties of the Employee's employment (other than any such failure resulting from the Employee's Disability); or
    - (ii) to the extent permitted by applicable law, engagement by the Employee, directly or indirectly, for the benefit of the Employee or others, in any activity, employment or business which is competitive with the Company or any of its Subsidiaries.

- (c) Code of Business Conduct: The Company's Code of Business Conduct, as amended from time to time.
- (d) Data: Certain personal information about the Employee held by the Company and the Subsidiary that employs the Employee (if applicable), including (but not limited to) the Employee's name, home address and telephone number, email address, date of birth, social security, passport or other identification number, salary, nationality, job title, any Shares held in the Company, details of all Awards or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Employee's favor, for the purpose of managing and administering the Program.
- (e) Disability: As of a particular date, the Employee is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of at least six months under (i) the terms of the AbbVie Long Term Disability Plan (the "LTD Plan"), or (ii) if the Employee's employer does not participate in the LTD Plan, such similar accident and health plan providing replacement benefits in which the Employee's employer participates.
- (f) Employee Agreement: The Employee Agreement entered into by and between the Company or a Subsidiary and the Employee as it may be amended from time to time.
- (g) Employee's Representative: The Employee's legal guardian or other legal representative.
- (h) Good Reason: The occurrence of any of the following circumstances without the Employee's express written consent:
  - (i) a significant adverse change in the nature, scope or status of the Employee's position, authorities or duties from those in effect immediately prior to the Change in Control, including, without limitation, if the Employee was, immediately prior to the Change in Control, an officer of a public company, the Employee ceasing to be an officer of a public company;
  - (ii) the failure by the Company or a Subsidiary to pay the Employee any portion of the Employee's current compensation, or to pay the Employee any portion of any installment of deferred compensation under any deferred compensation program of the Company, within seven days of the date such compensation is due;
  - (iii) a reduction in the Employee's annual base salary (or a material change in the frequency of payment) as in effect immediately prior to the Change in Control as the same may be increased from time to time;

- (iv) the failure by the Company or a Subsidiary to award the Employee an annual bonus in any year which is at least equal to the annual bonus awarded to the Employee under the annual bonus plan of the Company or Subsidiary for the year immediately preceding the year of the Change in Control;
  - (v) the failure by the Company to award the Employee equity-based incentive compensation (such as stock options, shares of restricted stock, restricted stock units, or other equity-based compensation) on a periodic basis consistent with the Company's practices with respect to timing, value and terms prior to the Change in Control;
  - (vi) the failure by the Company or a Subsidiary to continue to provide the Employee with the welfare benefits, fringe benefits and perquisites enjoyed by the Employee immediately prior to the Change in Control under any of the Company's or Subsidiary's plans or policies, including, but not limited to, those plans and policies providing pension, life insurance, medical, health and accident, disability and vacation;
  - (vii) the relocation of the Employee's base office to a location that is more than 35 miles from the Employee's base office immediately prior to the Change in Control; or
  - (viii) the failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement as contemplated in Section 5.
- (i) Program: The AbbVie Amended and Restated 2013 Incentive Stock Program.
  - (j) Termination: A severance of employment for any reason (including retirement) from the Company and all Subsidiaries. Any Termination shall be effective on the last day the Employee performs services for or on behalf of the Company or a Subsidiary, and employment shall not be extended by any statutory or common law notice of termination period.
2. Delivery Date and Shareholder Rights. The delivery dates for Shares underlying the Units is the date on which the Shares are payable to the Employee after the Restrictions on such Units lapse pursuant to Section 4 below (each a "Delivery Date"). Prior to the Delivery Date:
- (a) the Employee shall not be treated as a shareholder as to those Shares underlying the Units, and shall have only a contractual right to receive Shares, unsecured by any assets of the Company or its Subsidiaries;
  - (b) the Employee shall not be permitted to vote the Shares underlying the Units; and
  - (c) the Employee's right to receive such Shares will be subject to the adjustment provisions relating to mergers, reorganizations, and similar events set forth in the Program.

Subject to the requirements of local law, the Employee shall receive cash payments equal to the dividends and distributions paid on Shares underlying the Units (the "Dividend Equivalents") (other than dividends or distributions of securities of the Company which may be issued with respect to its Shares by virtue of any stock split, combination, stock dividend or recapitalization) to the same extent and on the same date as if each Unit were a Share; provided, however, that no Dividend Equivalents shall be payable to or for the benefit of the Employee with respect to dividends or distributions the record date for which occurs on or after the applicable Delivery Date, the date the Employee has forfeited the Units or, in some cases due to applicable law, the date the Restrictions on the Units have lapsed. For purposes of compliance with the requirements of Code Section 409A, to the extent applicable, the specified date for payment of any Dividend Equivalents to which the Employee is entitled under this Section 2 is the calendar year during the term of this Agreement in which the associated dividends or distributions are paid on Shares underlying the Units. The Employee shall have no right to determine the year in which Dividend Equivalents will be paid.

3. **Restrictions.** The Units are subject to the forfeiture provisions in Sections 6 and 7 below. Units are not earned and may not be sold, exchanged, assigned, transferred, pledged or otherwise disposed of (collectively, the "Restrictions") until the earliest to occur of the events described in subsections 4(a), (b), or (c) or Section 5.
4. **Lapse of Restrictions.** Subject to Sections 5, 6 and 7 below:
  - (a) **Passage of Time.** While the Employee is employed with the Company or its Subsidiaries, the Restrictions on [•]% of the Units will lapse on each of the [•] anniversaries of the Grant Date (each a "Delivery Date") until, on the [•] anniversary of the Grant Date, 100% of the Units are no longer subject to Restrictions. Subject to subsections (b) and (c) below, Units for which Restrictions have lapsed, as described in this subsection 4(a), shall be settled in the form of Shares on the Delivery Date(s). Unless indicated otherwise, Shares shall be delivered in an equal number (subject to rounding) as of each Delivery Date.
  - (b) **Death.** The Restrictions shall lapse on the date of the Employee's Termination due to death, and the Units shall be settled (for the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution) in the form of Shares as soon as administratively possible after, and effective as of, the date of death.
  - (c) **Disability.** The Restrictions shall lapse on the date of the Employee's Disability, and the Units shall be settled in the form of Shares as soon as administratively possible after, and effective as of, the date of Disability.
5. **Change in Control.** In the event of a Change in Control, the entity surviving such Change in Control or the ultimate parent thereof (referred to herein as the "Surviving Entity") may assume, convert or replace this Award with an award of at least equal value and terms and

conditions not less favorable than the terms and conditions provided in this Agreement, in which case the new award will vest according to the terms of the applicable award agreement. If the Surviving Entity does not assume, convert or replace this Award, the Restrictions shall lapse on the date of the Change in Control. If the Surviving Entity does assume, convert or replace this Award, then in the event the Employee's Termination (a) occurs within the time period beginning six months immediately before a Change in Control and ending two years immediately following such Change in Control, and (b) was initiated by the Company (or the Surviving Entity) for a reason other than Cause or was initiated by the Employee for Good Reason, the Restrictions shall lapse on the later of the date of the Change in Control and the date of the Employee's Termination. The provisions of this Section 5 shall supersede Section 13(a)(iii) and (v) of the Program.

6. **Effect of Certain Bad Acts.** Any Units not previously settled shall be cancelled and forfeited immediately if the Employee engages in activity that constitutes Cause, as determined in the sole opinion and discretion of the Committee or its delegate, whether or not the Employee experiences a Termination or remains employed with the Company or a Subsidiary.
7. **Forfeiture of Units; Recoupment.**
  - (a) **Effect of Termination.** In the event of the Employee's Termination for any reason other than those set forth in subsection 4(b) or Section 5, any Units with respect to which Restrictions have not lapsed as of the date of Termination shall be forfeited without consideration to the Employee or the Employee's Representative. In the event that the Employee is terminated by the Company other than for Cause and in a situation not covered by Section 5, the Company may, in its sole discretion, cause Restrictions on some or all of the Units not previously settled on a Delivery Date to lapse and be settled in the form of Shares on the Delivery Date set forth in subsection 4(a) above as if the Employee had remained employed on such date. In accepting this Award, the Employee acknowledges that in the event of Termination (whether or not in breach of local labor laws), the Employee's right to vest in the Units, if any, will cease and will not be extended by any notice period mandated under local law (e.g., active employment does not include a period of "garden leave" or similar period pursuant to local law) and that the Company shall have the exclusive discretion to determine when Termination occurs.
  - (b) **Recoupment.** Without limiting Section 14(q) of the Program, the Units, any Shares issued upon settlement of the Units and any proceeds therefrom shall be subject to and remain subject to any incentive compensation clawback or recoupment policy of the Company (i) currently in effect, (ii) as may be adopted by the Company to comply with applicable law and/or the rules and regulations of the securities exchange or inter-dealer quotation system on which the Shares are listed or quoted, including, without limitation, pursuant to Section 10D of the Exchange Act, Rule 10D-1 thereunder and Section 303A.14 of the New York Stock Exchange Listed

Company Manual, or (iii) as may be adopted by the Company to facilitate the Company's objectives related to eliminating or reducing fraud, misconduct, wrongdoing, or violations of law by an employee or other service provider or related to improving the Company's governance practices or similar considerations and, in each case, as may be amended from time to time (the "Recoupment Policy"), with the provisions contained in such Recoupment Policy deemed incorporated into this Agreement without the Employee's additional or separate consent. For purposes of the foregoing, the Employee expressly and explicitly authorizes the Company to issue instructions, on the Employee's behalf, to any brokerage firm and/or third-party administrator engaged by the Company to hold any Shares and other amounts acquired pursuant to the Units to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company upon the Company's enforcement of the Recoupment Policy. In accepting the Award and the terms of this Agreement, the Employee acknowledges and agrees that the Recoupment Policy shall apply to all other forms of incentive compensation awarded to the Employee, as well. No recovery of compensation as described in this Section will be an event giving rise to the Employee's right to resign for "good reason" or "constructive termination" (or similar term) under any plan of, or agreement with, the Company, a Subsidiary and/or the Employee.

8. **Withholding Taxes.** To the extent permitted under applicable law and by the Company, the Employee may satisfy any U.S. or non-U.S. federal, state, local or other applicable taxes arising from the grant of the Award, the lapse of Restrictions or the delivery of Shares pursuant to this Agreement by:
- (a) tendering a cash payment;
  - (b) having the Company withhold Shares from the Shares to be delivered to satisfy the applicable withholding tax;
  - (c) tendering Shares received in connection with the Units back to the Company; or
  - (d) delivering other previously acquired Shares having a Fair Market Value approximately equal to the amount to be withheld.

The Company shall have the right and is hereby authorized to withhold from the Shares deliverable to the Employee pursuant to this Agreement or (to the extent permitted by applicable law, including without limitation Code Section 409A) from any other compensation or other amount owing to the Employee, such amount as may be necessary in the opinion of the Company to satisfy all such taxes, requirements and withholding obligations. If the Company withholds for tax purposes from the Shares otherwise to be delivered to the Employee, the Employee is deemed to have been issued the full number of Shares underlying the Units, subject to the Restrictions set forth in this Agreement.

Notwithstanding the foregoing, if the Employee is subject to Section 16(b) of the Exchange Act, the Company will withhold using the method described in subsection 8(b) above

unless the use of such withholding method is problematic under applicable laws or has materially adverse accounting consequences, in which case the Committee shall determine which of the other methods described in this Section 8 or in the Program shall be used to satisfy the applicable withholding obligations.

9. **No Right to Continued Employment.** This Agreement and the Employee's participation in the Program do not and shall not be interpreted to:
  - (a) form an employment contract or relationship with the Company or its Subsidiaries;
  - (b) confer upon the Employee any right to continue in the employ of the Company or any of its Subsidiaries; or
  - (c) interfere with the ability of the Company or its Subsidiaries to terminate the Employee's employment at any time.
  
10. **Nature of Grant.** In accepting this grant of Units, the Employee acknowledges and agrees that:
  - (a) the Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
  - (b) this Award is a one-time benefit and does not create any contractual or other right to receive future grants of Units, benefits in lieu of Units, or other Program Benefits in the future, even if Units have been granted repeatedly in the past;
  - (c) all decisions with respect to future Unit grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;
  - (d) nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Employee;
  - (e) the Employee is voluntarily participating in the Program;
  - (f) the Units and Shares subject to the Units are:
    - (i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its Subsidiaries, and are outside the scope of the Employee's employment contract, if any;
    - (ii) not intended to replace any pension rights or compensation;
    - (iii) not part of the Employee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or its Subsidiaries;

- (g) the future value of the Shares underlying the Units is unknown and cannot be predicted with certainty;
- (h) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from the Units resulting from (i) Termination (for any reason whatsoever) and/or (ii) the application of Sections 6 and/or 7 above and the Employee irrevocably releases the Company and its Subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim;
- (i) the Units and the Benefits under the Program, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability; and
- (j) neither the Company nor any of its Subsidiaries shall be liable for any change in value of the Units, the amount realized upon settlement of the Units or the amount realized upon a subsequent sale of any Shares acquired upon settlement of the Units, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

11. Data Privacy.

- (a) Pursuant to applicable personal data protection laws, the collection, processing and transfer of the Employee's personal Data is necessary for the Company's administration of the Program and the Employee's participation in the Program. The Employee's denial and/or objection to the collection, processing and transfer of personal Data may affect his or her ability to participate in the Program. As such (where required under applicable law), the Employee:
  - (i) voluntarily acknowledges, consents and agrees to the collection, use, processing and transfer of personal Data as described herein; and
  - (ii) authorizes Data recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Employee's participation in the Program, including any requisite transfer of such Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Employee's behalf to a broker or other third party with whom the Employee may elect to deposit any Shares acquired pursuant to the Program.
- (b) Data may be provided by the Employee or collected, where lawful, from third parties, and the Company and the Subsidiary that employs the Employee (if applicable) will process the Data for the exclusive purpose of implementing, administering and managing the Employee's participation in the Program. Data processing will take place through electronic and non-electronic means according

to logics and procedures strictly correlated to the purposes for which the Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Employee's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Program and for the Employee's participation in the Program.

- (c) The Company and the Subsidiary that employs the Employee (if applicable) will transfer Data as necessary for the purpose of implementation, administration and management of the Employee's participation in the Program, and the Company and the Subsidiary that employs the Employee (if applicable) may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Program. These recipients may be located throughout the world.
- (d) The Employee may, at any time, exercise his or her rights provided under applicable personal data protection laws, which may include the right to:
  - (i) obtain confirmation as to the existence of the Data;
  - (ii) verify the content, origin and accuracy of the Data;
  - (iii) request the integration, update, amendment, deletion or blockage (for breach of applicable laws) of the Data; and
  - (iv) oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Program and the Employee's participation in the Program.

The Employee may seek to exercise these rights by contacting his or her local human resources manager.

- (e) Upon request of the Company or the Subsidiary that employs the Employee, the Employee agrees to provide an executed data privacy consent form (or any other agreement or consent that may be required by the Company and/or the Subsidiary that employs the Employee) to the Company and/or the Subsidiary that employs the Employee that the Company and/or the Subsidiary that employs the Employee may deem necessary to obtain from the Employee for the purpose of administering his or her participation in the Program in compliance with the data privacy laws in the Employee's country, either now or in the future. The Employee understands and agrees that he or she will not be able to participate in the Program if the Employee fails to provide any such requested consent or agreement.

12. **Form of Payment.** The Company may, in its sole discretion, settle the Employee's Units in the form of a cash payment to the extent settlement in Shares: (a) is prohibited under local law; (b) would require the Employee, the Company and/or its Subsidiaries to obtain the approval of any governmental and/or regulatory body in the Employee's country; (c) would result in adverse tax consequences for the Employee or the Company; or (d) is administratively burdensome. Alternatively, the Company may, in its sole discretion, settle the Employee's Units in the form of Shares but require the Employee to sell such Shares immediately or within a specified period of time following the Employee's Termination (in which case, this Agreement shall give the Company the authority to issue sales instructions on the Employee's behalf).
13. **Private Placement.** The grant of this Unit is not intended to be a public offering of securities in the Employee's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this grant of Units is not subject to the supervision of the local securities authorities.
14. **Exchange Controls.** As a condition to this grant of Units, the Employee agrees to comply with any applicable foreign exchange rules and regulations.
15. **Compliance with Applicable Laws and Regulations.**
  - (a) The Company shall not be required to issue or deliver any Shares pursuant to this Agreement pending compliance with all applicable federal and state securities and other laws (including any registration requirements or tax withholding requirements) and compliance with the rules and practices of any stock exchange upon which the Company's Shares are listed.
  - (b) Regardless of any action the Company or its Subsidiaries take with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Employee's participation in the Program and legally applicable to the Employee or deemed by the Company or its Subsidiaries to be an appropriate charge to the Employee even if technically due by the Company or its Subsidiaries ("Tax-Related Items"), the Employee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Employee's responsibility and may exceed the amount actually withheld by the Company or its Subsidiaries, if any. The Employee further acknowledges that the Company and/or its Subsidiaries: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Units, including, but not limited to, the grant, lapse of Restriction or settlement of the Units, the issuance of Shares upon payment of the Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or any Dividend Equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Units to reduce or eliminate the Employee's liability for Tax-Related Items or achieve any particular tax result.

If the Employee has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Employee acknowledges that the Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction. If the Employee relocates to another country, the Company may establish special or alternative terms and conditions as necessary or advisable to comply with local laws, rules or regulations, to facilitate the operation and administration of the Award and the Program and/or to accommodate the Employee's relocation.

- (c) The Employee acknowledges that, depending on the Employee's or the broker's country of residence or where the Shares are listed, the Employee may be subject to insider trading restrictions and/or market abuse laws which may affect his or her ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Units) or rights linked to the value of Shares during such times the Employee is considered to have "inside information" regarding the Company as defined in the laws or regulations in his or her country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Employee placed before he or she possessed inside information. Furthermore, the Employee could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. The Employee understands that third parties may include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Employee acknowledges that it is the Employee's responsibility to comply with any restrictions and the Employee is advised to speak to his or her personal legal advisor on this matter.

16. Code Section 409A. Payments made pursuant to this Agreement are intended to be exempt from or otherwise comply with the provisions of Code Section 409A to the extent applicable. The Program and this Agreement shall be administered and interpreted in a manner consistent with this intent. If the Company determines that any payments under this Agreement are subject to Code Section 409A and this Agreement fails to comply with that section's requirements, the Company may, at the Company's sole discretion, and without the Employee's consent, amend this Agreement to cause it to comply with Code Section 409A or otherwise be exempt from Code Section 409A.

To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, the Employee shall not be deemed to have had a Termination unless the Employee has incurred a "separation from service" as defined in Treasury Regulation §1.409A-1(h), and amounts that would otherwise be payable pursuant to this Agreement during the six-month period immediately following the Employee's Termination (including retirement) shall instead be paid on the first business day after the date that is six months following the Employee's Termination (or upon the

Employee's death, if earlier). For purposes of Code Section 409A, to the extent applicable: (a) all payments provided hereunder shall be treated as a right to a series of separate payments and each separately identified amount to which the Employee is entitled under this Agreement shall be treated as a separate payment; (b) except as otherwise provided in Section 13(a) of the Program, upon the lapse of Restrictions pursuant to Section 5 of this Agreement, any Units not previously settled on a Delivery Date shall be settled as soon as administratively possible after, and effective as of, the date of the Change in Control or the date of the Employee's Termination (as applicable); (c) the term "as soon as administratively possible" means a period of time that is within 60 days after the Termination, Disability or Change in Control (as applicable); and (d) the date of the Employee's Disability shall be determined by the Company in its sole discretion.

Although this Agreement and the payments provided hereunder are intended to be exempt from or otherwise comply with the requirements of Code Section 409A, the Company does not represent or warrant that this Agreement or the payments provided hereunder will comply with Code Section 409A or any other provision of federal, state, local, or non-United States law. None of the Company, its Subsidiaries, or their respective directors, officers, employees or advisers shall be liable to the Employee (or any other individual claiming a benefit through the Employee) for any tax, interest, or penalties the Employee may owe as a result of compensation paid under this Agreement, and the Company and its Subsidiaries shall have no obligation to indemnify or otherwise protect the Employee from the obligation to pay any taxes pursuant to Code Section 409A.

17. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Units, the Employee's participation in the Program or the Employee's acquisition or sale of the underlying Shares. The Employee is hereby advised to consult with the Employee's own personal tax, legal and financial advisors regarding participation in the Program before taking any action related to the Program.
18. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Employee's participation in the Program, on the Units and on any Shares acquired under the Program, to the extent the Company or any Subsidiary determines it is necessary or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Units and the Program, and to require the Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Employee agrees to take any and all actions, and consents to any and all actions taken by the Company and its Subsidiaries, as may be required to allow the Company and its Subsidiaries to comply with local laws, rules and regulations in the Employee's country. In addition, the Employee agrees to take any and all actions as may be required to comply with the Employee's personal obligations under local laws, rules and regulations in the Employee's country.

19. **Determinations.** Each decision, determination, interpretation or other action made or taken pursuant to the provisions of this Agreement by the Company, the Committee or any delegate of the Committee shall be final, conclusive and binding for all purposes and upon all persons, including, without limitation, the Company, the Employee, the Employee's Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.
20. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Program by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Program through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
21. **Addendum.** This grant of Units shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for the Employee's country or jurisdiction. Moreover, if the Employee relocates to one of the countries or jurisdictions included in the Addendum, the special terms and conditions for such country or jurisdiction will apply to the Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Units and the Program (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Employee's relocation). The Addendum constitutes part of this Agreement.
22. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.
23. **Entire Agreement.** This Agreement and the Program constitute the entire agreement between the Employee and the Company regarding the Award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the Award. Except as expressly set forth herein, this Agreement (and any provision of this Agreement) may not be modified, changed or clarified by the parties, except in a writing specifying the modification, change or clarification, signed by a duly authorized Company officer.
24. **Succession.** This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Employee, the Employee's

Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.

25. **Language.** The Employee acknowledges and agrees that it is the Employee's express intent that this Agreement, the Program and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Employee is in a country where English is not an official language, the Employee acknowledges that he or she is sufficiently proficient in English or has had the ability to consult with an advisor who is sufficiently proficient in the English language, so as to allow the Employee to understand the terms and conditions of this Agreement, the Program and any other documents related to the Award. If the Employee has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control, unless otherwise required by applicable law.
26. **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any state's conflict of laws principles. For any legal action relating to this Agreement, the parties to this Agreement consent to the exclusive jurisdiction and venue of the federal courts of the Northern District of Illinois, USA, and, if there is no jurisdiction in federal court, to the exclusive jurisdiction and venue of the state courts in Lake County, Illinois, USA.

\* \* \*

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed on their behalf.

ABBVIE INC.

By \_\_\_\_\_

Title \_\_\_\_\_

EMPLOYEE

By: SIGNED BY ELECTRONIC SIGNATURE

BY ELECTRONICALLY ACCEPTING THE AWARD, THE EMPLOYEE AGREES THAT (1) SUCH ACCEPTANCE CONSTITUTES THE EMPLOYEE'S ELECTRONIC SIGNATURE IN EXECUTION OF THIS AGREEMENT; (2) THE EMPLOYEE AGREES TO BE BOUND BY THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM; (3) THE EMPLOYEE HAS REVIEWED THE PROGRAM, THE AGREEMENT AND THE ADDENDUM IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO ACCEPTING THE AWARD AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM; (4) THE EMPLOYEE HAS BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE U.S. PROSPECTUS FOR THE PROGRAM; AND (5) THE EMPLOYEE HEREBY AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE OR ITS DULY AUTHORIZED DELEGATE ON ANY QUESTIONS ARISING UNDER THE PROGRAM, THE AGREEMENT AND THE ADDENDUM.

IF THE EMPLOYEE DOES NOT REJECT THE AWARD OR ELECTRONICALLY ACCEPT THE AWARD BY THE FIRST VESTING DATE FOR THE AWARD SET FORTH IN SECTION 4(a) OF THIS AGREEMENT, THE EMPLOYEE WILL BE DEEMED TO ACCEPT THE AWARD, AND THE EMPLOYEE WILL BE BOUND BY THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM.



**Certification of Chief Executive Officer  
Required by Rule 13a-14(a) (17 CFR 240.13a-14(a))**

I, Richard A. Gonzalez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AbbVie Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of AbbVie as of, and for, the periods presented in this report;
4. AbbVie's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for AbbVie and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to AbbVie, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of AbbVie's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in AbbVie's internal control over financial reporting that occurred during AbbVie's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, AbbVie's internal control over financial reporting; and
5. AbbVie's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to AbbVie's auditors and the audit committee of AbbVie's board of directors:
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect AbbVie's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in AbbVie's internal control over financial reporting.

Date: May 3, 2024

/s/ Richard A. Gonzalez

Richard A. Gonzalez, Chairman of the Board  
and Chief Executive Officer

**Certification of Chief Financial Officer  
Required by Rule 13a-14(a) (17 CFR 240.13a-14(a))**

I, Scott T. Reents, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AbbVie Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of AbbVie as of, and for, the periods presented in this report;
4. AbbVie's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for AbbVie and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to AbbVie, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of AbbVie's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in AbbVie's internal control over financial reporting that occurred during AbbVie's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, AbbVie's internal control over financial reporting; and
5. AbbVie's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to AbbVie's auditors and the audit committee of AbbVie's board of directors:
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect AbbVie's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in AbbVie's internal control over financial reporting.

Date: May 3, 2024

/s/ Scott T. Reents

Scott T. Reents, Executive Vice President,  
Chief Financial Officer

**Certification Pursuant To  
18 U.S.C. Section 1350  
As Adopted Pursuant To  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AbbVie Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Richard A. Gonzalez, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard A. Gonzalez

Richard A. Gonzalez

Chairman of the Board and Chief Executive Officer

May 3, 2024

A signed original of this written statement required by Section 906 has been provided to AbbVie Inc. and will be retained by AbbVie Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification Pursuant To  
18 U.S.C. Section 1350  
As Adopted Pursuant To  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of AbbVie Inc. (the "Company") on Form 10-Q for the period ended March 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Scott T. Reents, Executive Vice President, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Scott T. Reents

\_\_\_\_\_  
Scott T. Reents  
Executive Vice President, Chief Financial Officer  
May 3, 2024

A signed original of this written statement required by Section 906 has been provided to AbbVie Inc. and will be retained by AbbVie Inc. and furnished to the Securities and Exchange Commission or its staff upon request.