

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D. C. 20549

FORM 10-K

(MARK ONE)



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

For the fiscal year ended December 31, 2021

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
(847) 932-7900**

(Address, including zip code, and telephone number of principal executive offices)

Securities Registered Pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	ABBV	New York Stock Exchange Chicago Stock Exchange
1.500% Senior Notes due 2023	ABBV23B	New York 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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act.

Yes No

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 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, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer

Accelerated Filer

Non-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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

The aggregate market value of the 1,751,117,802 shares of voting stock held by non-affiliates of the registrant, computed by reference to the closing price as reported on the New York Stock Exchange, as of the last business day of AbbVie Inc.'s most recently completed second fiscal quarter (June 30, 2021), was \$197,245,909,217. AbbVie has no non-voting common equity.

Number of common shares outstanding as of January 31, 2022: 1,768,753,829

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the 2022 AbbVie Inc. Proxy Statement are incorporated by reference into Part III. The Definitive Proxy Statement will be filed on or about March 21, 2022.

ABBVIE INC.
FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2021
TABLE OF CONTENTS

	Page No.
<u>PART I</u>	
Item 1. BUSINESS	1
Item 1A. RISK FACTORS	15
Item 1B. UNRESOLVED STAFF COMMENTS	25
Item 2. PROPERTIES	25
Item 3. LEGAL PROCEEDINGS	26
Item 4. MINE SAFETY DISCLOSURES	26
INFORMATION ABOUT OUR EXECUTIVE OFFICERS	27
<u>PART II</u>	
Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES	29
Item 6. [RESERVED]	31
Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	32
Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	48
Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA	49
Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	103
Item 9A. CONTROLS AND PROCEDURES	103
Item 9B. OTHER INFORMATION	105
<u>PART III</u>	
Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE	106
Item 11. EXECUTIVE COMPENSATION	106
Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS	107
Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE	107
Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES	107
<u>PART IV</u>	
Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES	108
Item 16. FORM 10-K SUMMARY	112
SIGNATURES	113

ITEM 1. BUSINESS

Overview

AbbVie⁽¹⁾ is a global, diversified research-based biopharmaceutical company positioned for success with a comprehensive product portfolio that has leadership positions across immunology, hematologic oncology, neuroscience, aesthetics 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.

AbbVie was incorporated in Delaware on April 10, 2012. On January 1, 2013, AbbVie became an independent, publicly-traded company as a result of the distribution by Abbott Laboratories (Abbott) of 100% of the outstanding common stock of AbbVie to Abbott's shareholders.

Impact of the Coronavirus Disease 2019 (COVID-19)

The novel coronavirus (COVID-19) pandemic continues to spread throughout the United States and around the world. As COVID-19 continues to have an impact worldwide, AbbVie is focused on the health and safety of its employees, health care professionals and patients and communities. In the continued operation of its business, AbbVie has followed health and safety guidance from relevant health authorities, managed manufacturing and supply chain resources and monitored closely its clinical trial sites. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Impact of the Coronavirus Disease 2019 (COVID-19)."

Segments

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, development, 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. See Note 16, "Segment and Geographic Area Information" to the Consolidated Financial Statements included under Item 8, "Financial Statements and Supplementary Data" and the sales information related to AbbVie's key products and geographies included under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

(1) As used throughout the text of this report on Form 10-K, the terms "AbbVie" or "the company" refer to AbbVie Inc., a Delaware corporation, or AbbVie Inc. and its consolidated subsidiaries, as the context requires.

Products

AbbVie's portfolio of products includes a broad line of therapies that address some of the world's most complex and serious diseases.

Immunology products. AbbVie maintains an extensive immunology portfolio across rheumatology, dermatology and gastroenterology. AbbVie's immunology products address unmet needs for patients with autoimmune diseases. These products are:

Humira. Humira (adalimumab) is a biologic therapy administered as a subcutaneous injection. It is approved to treat the following autoimmune diseases in the United States, Canada and Mexico (collectively, North America) and in the European Union:

Condition	Principal Markets
Rheumatoid arthritis (moderate to severe)	North America, European Union
Psoriatic arthritis	North America, European Union
Ankylosing spondylitis	North America, European Union
Adult Crohn's disease (moderate to severe)	North America, European Union
Plaque psoriasis (moderate to severe chronic)	North America, European Union
Juvenile idiopathic arthritis (moderate to severe polyarticular)	North America, European Union
Ulcerative colitis (moderate to severe)	North America, European Union
Axial spondyloarthritis	European Union
Pediatric Crohn's disease (moderate to severe)	North America, European Union
Hidradenitis suppurativa (moderate to severe)	North America, European Union
Pediatric enthesitis-related arthritis	European Union
Non-infectious intermediate, posterior and panuveitis	North America, European Union
Pediatric ulcerative colitis (moderate to severe)	U.S., Canada, European Union
Pediatric uveitis	North America, European Union

Humira is also approved in Japan for the treatment of intestinal Behçet's disease and pyoderma gangrenosum.

Humira is sold in numerous other markets worldwide, including Japan, China, Brazil and Australia, and accounted for approximately 37% of AbbVie's total net revenues in 2021.

Skyrizi. Skyrizi (risankizumab) is an interleukin-23 (IL-23) inhibitor that selectively blocks IL-23 by binding to its p19 subunit. It is a biologic therapy administered as a quarterly subcutaneous injection following two induction doses. Skyrizi is approved in the United States, Canada, Mexico and the European Union and is indicated for the treatment of moderate to severe plaque psoriasis in adults who are candidates for systemic therapy or phototherapy. In the United States and the European Union, Skyrizi is additionally approved for the treatment of active psoriatic arthritis in adult patients who have an inadequate response or intolerance to disease-modifying antirheumatic drugs (DMARDs). In Japan, Skyrizi is approved for the treatment of plaque psoriasis, generalized pustular psoriasis, erythrodermic psoriasis and psoriatic arthritis in adult patients who have an inadequate response to conventional therapies.

Rinvoq. Rinvoq (upadacitinib) is an oral, once-daily selective and reversible JAK inhibitor that is approved to treat the following inflammatory diseases in North America, Japan and the European Union:

Condition	Principal Markets
Rheumatoid arthritis (moderate to severe)	North America, European Union, Japan
Psoriatic arthritis	U.S., Canada, European Union, Japan
Ankylosing spondylitis	European Union
Atopic dermatitis (moderate to severe)	U.S., Canada, European Union, Japan

In the United States, Rinvoq is indicated for both the treatment of moderate to severe active rheumatoid arthritis, and for active psoriatic arthritis, in adult patients who have an inadequate response or intolerance to one or more TNF blockers. It is also indicated for the treatment of moderate to severe atopic dermatitis in adults and children 12 years of age and older whose disease is not adequately controlled with other systemic drug products, including biologics, or when use of those therapies are inadvisable.

Oncology products. AbbVie's oncology products target some of the most complex and difficult-to-treat cancers. These products are:

Imbruvica. Imbruvica (ibrutinib) is an oral, once-daily therapy that inhibits a protein called Bruton's tyrosine kinase. Imbruvica was one of the first medicines to receive a United States Food and Drug Administration (FDA) approval after being granted a Breakthrough Therapy Designation and is one of the few therapies to receive four separate designations. Imbruvica currently is approved for the treatment of adult patients with blood cancers such as chronic lymphocytic leukemia (CLL), as well as certain forms of non-Hodgkin lymphoma.

Venclexta/Venclyxto. Venclexta (venetoclax) is a B-cell lymphoma 2 (BCL-2) inhibitor used to treat hematological malignancies. Venclexta is approved by the FDA for adults with CLL or SLL. In addition, Venclexta is approved in combination with azacitidine, or decitabine, or low-dose cytarabine to treat adults with newly-diagnosed acute myeloid leukemia who are 75 years of age or older or have other medical conditions that prevent the use of standard chemotherapy.

Aesthetics products. AbbVie's Aesthetics portfolio consists of facial injectables, plastics and regenerative medicine, body contouring and skincare products, which hold market-leading positions in the U.S. and in key markets around the world. These products are:

Botox Cosmetic. Botox Cosmetic is an acetylcholine release inhibitor and a neuromuscular blocking agent indicated for treatment in three areas: temporary improvement in the appearance of moderate to severe glabellar lines (frown lines between the eyebrows), moderate to severe crow's feet and moderate to severe forehead lines in adults. Having received its initial FDA approval in 2002, Botox Cosmetic is now approved for use in all major markets around the world and has become one of the world's most recognized and iconic brands.

The Juvederm Collection of Fillers. The Juvederm Collection of Fillers is a portfolio of hyaluronic acid-based dermal fillers with a variety of approved indications in the U.S. and in other major markets around the world to augment or treat volume loss in the cheeks, chin, lips and lower face.

Other aesthetics. Other aesthetics products include, but are not limited to, Coolsculpting body contouring technology, Alloderm regenerative dermal tissue, Natrelle breast implants, the SkinMedica skincare line and DiamondGlow dermabrasion technology.

Neuroscience products. AbbVie's neuroscience products address some of the most difficult-to-treat neurologic diseases. These products are:

Botox Therapeutic. Botox Therapeutic (onabotulinumtoxinA injection) is a neuromuscular blocking agent that is injected into muscle tissue in treatment for the following indications in the United States:

- Prophylaxis of headaches in adult patients with chronic migraine (≥ 15 days per month with headache lasting 4 hours a day or longer).
- Overactive bladder with symptoms of urge urinary incontinence, urgency and frequency, in adults who have an inadequate response to or are intolerant of an anticholinergic medication.
- Urinary incontinence due to detrusor overactivity associated with a neurologic condition (e.g., spinal cord injury, multiple sclerosis) in adults who have an inadequate response to or are intolerant of an anticholinergic medication.
- Spasticity in patients 2 years of age and older.
- Cervical dystonia in adults to reduce the severity of abnormal head position and neck pain associated with cervical dystonia.
- Strabismus and blepharospasm associated with dystonia, including benign essential blepharospasm or VII nerve disorders in patients 12 years of age and older.
- Severe primary axillary hyperhidrosis that is inadequately managed with topical agents. Licenses around the world vary.
- Focal spasticity associated with dynamic equinus foot deformity due to spasticity in ambulant pediatric cerebral palsy patients 2 years of age or older.

- Focal spasticity of the wrist and hand in adult post stroke patients.
- Focal spasticity of the ankle and foot in adult post stroke patients.

Vraylar. Vraylar (cariprazine) is a dopamine D3-preferring D3/D2 receptor partial agonist and a 5-HT1A receptor partial agonist. Its D3 binding profile may be linked to observed improvements in the negative symptoms of schizophrenia and to antidepressant effects in bipolar I disorder (bipolar depression). Vraylar is indicated for acute and maintenance treatment of schizophrenia in adults, acute treatment of manic or mixed episodes associated with bipolar disorder in adults and acute treatment of depressive episodes associated with bipolar I disorder in adults.

Duopa and Duodopa (carbidopa and levodopa). AbbVie's levodopa-carbidopa intestinal gel for the treatment of advanced Parkinson's disease is marketed as Duopa in the United States and as Duodopa outside of the United States.

Ubrelyv. Ubrelyv (ubrogepant) is indicated for the acute treatment of migraine with or without aura in adults and is only commercialized in the United States.

Other neuroscience. Other neuroscience products include Qulipta (atogepant), which is indicated for preventive treatment of episodic migraine in adults.

Eye care products. AbbVie's eye care products address unmet needs and new approaches to help preserve and protect patients' vision. These products are:

Lumigan/Ganfort. Lumigan (bimatoprost ophthalmic solution) 0.01% is a once daily, topical prostaglandin analog indicated for the reduction of elevated intraocular pressure (IOP) in patients with open angle glaucoma (OAG) or ocular hypertension (OHT). Ganfort is a once daily topical fixed combination of bimatoprost 0.03% and timolol 0.5% for the reduction of IOP in adult patients with OAG or OHT. Lumigan is sold in the United States and numerous markets around the world, while Ganfort is approved in the European Union and some markets in South America, the Middle East and Asia.

Alphagan/Combigan. Alphagan (brimonidine tartrate ophthalmic solution) is an alpha-adrenergic receptor agonist indicated for the reduction of elevated IOP in patients with open-angle glaucoma or ocular hypertension. Combigan (brimonidine tartrate/timolol maleate ophthalmic solution) is approved for reducing elevated IOP in patients with glaucoma who require additional or adjunctive IOP-lowering therapy. Both Alphagan and Combigan are available for sale in the United States and numerous markets around the world.

Restasis. Restasis is a calcineurin inhibitor immunosuppressant indicated to increase tear production in patients whose tear production is presumed to be suppressed due to ocular inflammation associated with keratoconjunctivitis sicca. Restasis is approved in the United States and a number of other markets in South America, the Middle East and Asia.

Other eye care. Other eye care products include Xen, Durysta, Ozurdex, Refresh/Optive and Vuity.

Women's health products. AbbVie's women's health products are:

Lo Loestrin. Lo Loestrin Fe is an oral contraceptive. It is indicated for prevention of pregnancy with the lowest dose of estrogen with only 10mcg and is dispensed in a unique 24/2/2 regimen with a two-day hormone-free interval. It is marketed in the U.S. as Lo Loestrin Fe (norethindrone acetate and ethinyl estradiol tablets, ethinyl estradiol tablets and ferrous fumarate tablets) and in select markets outside the U.S. as Lolo.

Orilissa/Oriahnn. Orilissa (elagolix) is the first and only orally-administered, nonpeptide small molecule gonadotropin-releasing hormone (GnRH) antagonist specifically developed for women with moderate to severe endometriosis pain. It represents the first FDA-approved oral treatment for the management of moderate to severe pain associated with endometriosis in over a decade. Orilissa inhibits endogenous GnRH signaling by binding competitively to GnRH receptors in the pituitary gland. Administration results in dose-dependent suppression of luteinizing hormone and follicle-stimulating hormone, leading to decreased blood concentrations of ovarian sex hormones, estradiol and progesterone. Outside the United States, Orilissa is also launched in Canada. Oriahnn (elagolix, estradiol and norethindrone acetate capsules; elagolix capsules) is a combination prescription medicine used to control heavy menstrual bleeding related to uterine fibroids in women before menopause.

Other women's health. Other women's health includes Liletta, a sterile, levonorgestrel-releasing intrauterine system indicated for prevention of pregnancy for up to six years.

Other key products. AbbVie's other key products include, among other things, treatments for patients with hepatitis C virus (HCV), metabolic and hormone products that target a number of conditions, including exocrine pancreatic insufficiency and hypothyroidism, as well as endocrinology products for the palliative treatment of advanced prostate

cancer, treatment of endometriosis and central precocious puberty and for the preoperative treatment of patients with anemia caused by uterine fibroids. These products are:

Mavyret/Maviret. Mavyret (glecaprevir/pibrentasvir) is approved in the United States and European Union (Maviret) for the treatment of adult and pediatric patients (12 years and older or weighing at least 45 kilograms) with chronic HCV genotype 1-6 infection without cirrhosis and with compensated cirrhosis (Child-Pugh A). It is also indicated for the treatment of adult and pediatric patients (12 years and older or weighing at least 45 kilograms) with HCV genotype 1 infection, who previously have been treated with a regimen containing an HCV NS5A inhibitor or an NS3/4A protease inhibitor, but not both. It is an 8-week, pan-genotypic treatment for patients without cirrhosis and following the EXPEDITION-8 study, also in patients with compensated cirrhosis who are new to treatment.

Creon. Creon (pancrelipase) is a pancreatic enzyme therapy for exocrine pancreatic insufficiency, a condition that occurs in patients with cystic fibrosis, chronic pancreatitis and several other conditions.

Lupron. Lupron (leuprolide acetate), which is also marketed as Lucrin and Lupron Depot, is a product for the palliative treatment of advanced prostate cancer, treatment of endometriosis and central precocious puberty and for the preoperative treatment of patients with anemia caused by uterine fibroids. Lupron is approved for daily subcutaneous injection and one-month, three-month, four-month and six-month intramuscular injection.

Linzess/Constella. Linzess (linaclotide) is a once-daily guanylate cyclase-C agonist used in adults to treat irritable bowel syndrome with constipation (IBS-C) and chronic idiopathic constipation (CIC). The product is marketed as Linzess in the United States and as Constella outside of the United States.

Synthroid. Synthroid (levothyroxine sodium tablets, USP) is used in the treatment of hypothyroidism.

AbbVie has the rights to sell Creon and Synthroid only in the United States.

Marketing, Sales and Distribution Capabilities

AbbVie utilizes a combination of dedicated commercial resources, regional commercial resources and distributorships to market, sell and distribute its products worldwide. AbbVie directs its primary marketing efforts toward securing the prescription, or recommendation, of its brand of products by physicians, key opinion leaders and other health care providers. Managed care providers (for example, health maintenance organizations and pharmacy benefit managers), hospitals and state and federal government agencies (for example, the United States Department of Veterans Affairs and the United States Department of Defense) are also important customers. AbbVie also markets directly to consumers themselves, although in the United States many of the company's products must be sold pursuant to a prescription. Outside of the United States, AbbVie focuses its promotional and market access efforts on key opinion leaders, payers, physicians and health systems. AbbVie also provides patient support programs closely related to its products. Throughout the COVID-19 pandemic AbbVie has maintained its promotional activities with key stakeholders by leveraging digital engagement where permitted and in compliance with the locally applicable government guidance.

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. Although AbbVie's business does not have significant seasonality, AbbVie's product revenues may be affected by end customer and retail buying patterns, fluctuations in wholesaler inventory levels and other factors.

In the United States, AbbVie distributes pharmaceutical products principally through independent wholesale distributors, with some sales directly to retailers, pharmacies, patients or other customers. In 2021, three wholesale distributors (McKesson Corporation, Cardinal Health, Inc. and AmerisourceBergen Corporation) accounted for substantially all of AbbVie's pharmaceutical product sales in the United States. No individual wholesaler accounted for greater than 37% of AbbVie's 2021 gross revenues in the United States. Outside the United States, AbbVie sells products primarily to customers or through distributors, depending on the market served.

Certain products are co-marketed or co-promoted with other companies. AbbVie has no single customer that, if the customer were lost, would have a material adverse effect on the company's business. No material portion of AbbVie's business is subject to renegotiation of profits or termination of contracts at the election of the government. Orders are generally filled on a current basis and order backlog is not material to AbbVie's business.

Competition

The markets for AbbVie's products are highly competitive. AbbVie competes with other research-based pharmaceuticals and biotechnology companies that discover, manufacture, market and sell proprietary pharmaceutical products, therapies

and biologics. For example, Humira competes with anti-TNF products, JAK inhibitors and other competitive products intended to treat a number of disease states and Mavyret/Maviret competes with other available HCV treatment options. In addition, in the past few years, a number of other companies have started to develop, have successfully developed and/or are currently marketing products that are being positioned as competitors to Botox. The search for technological innovations in pharmaceutical products is a significant aspect of competition. The introduction of new products by competitors and changes in medical practices and procedures can result in product obsolescence. Price is also a competitive factor. In addition, the substitution of generic pharmaceutical products for branded conventional (small-molecule) pharmaceutical products creates competitive pressures on AbbVie's products that do not have patent protection. New products or treatments brought to market by AbbVie's competitors could cause revenues for AbbVie's products to decrease due to price reductions and sales volume decreases.

Biosimilars. Competition for AbbVie's biologic products is affected by the approval of follow-on biologics, also known as "biosimilars." Biologics have added major therapeutic options for the treatment of many diseases, including some for which therapies were unavailable or inadequate. The cost of developing and producing biologic therapies is typically dramatically higher than for small molecule medications, and many biologic medications are used for ongoing treatment of chronic diseases, such as rheumatoid arthritis or inflammatory bowel disease, or for the treatment of previously untreatable cancer. Significant investments in biologics infrastructure and manufacturing are necessary to produce biologic products.

Humira is now facing direct biosimilar competition in Europe and other countries, and AbbVie will continue to face competitive pressure from these biologics and from orally administered products.

In the United States, the FDA regulates biologics under the Federal Food, Drug, and Cosmetic Act (the FDCA), the Public Health Service Act (PHSA) and the regulations implementing these statutes. The enactment of federal health care reform legislation in March 2010 provided a pathway for approval of biosimilars under the PHSA, but the approval process for, and science behind, biosimilars is complex. Approval by the FDA is dependent upon many factors, including a showing that the biosimilar is "highly similar" to the original product and has no clinically meaningful differences from the original product in terms of safety, purity and potency. The types of data that could ordinarily be required in an application to show similarity may include analytical data, bioequivalence studies and studies to demonstrate chemical similarity, animal studies (including toxicity studies) and clinical studies.

Furthermore, the law provides that only a biosimilar product that is determined to be "interchangeable" will be considered by the FDA as substitutable for the original biologic product without the intervention of the health care provider who prescribed the original biologic product. To prove that a biosimilar product is interchangeable, the applicant must demonstrate that the product can be expected to produce the same clinical results as the original biologic product in any given patient, and if the product is administered more than once in a patient, that safety risks and potential for diminished efficacy of alternating or switching between the use of the interchangeable biosimilar biologic product and the original biologic product is no greater than the risk of using the original biologic product without switching. The law continues to be interpreted and implemented by the FDA. As a result, its full ultimate impact, implementation and meaning remains subject to uncertainty.

Intellectual Property Protection and Regulatory Exclusivity

Generally, upon approval, products may be entitled to certain kinds of exclusivity under applicable intellectual property and regulatory regimes. AbbVie's intellectual property is materially valuable to the company, and AbbVie seeks patent protection, where available, in all significant markets and/or countries for each product in development. In the United States, the expiration date for patents is 20 years after the filing date. Given that patents relating to pharmaceutical products are often obtained early in the development process and given the amount of time needed to complete clinical trials and other development activities required for regulatory approval, the length of time between product launch and patent expiration is significantly less than 20 years. The Drug Price Competition and Patent Term Restoration Act of 1984 (commonly known as the Hatch-Waxman Act) permits a patent holder to seek a patent extension, commonly called a "patent term restoration," for patents on products (or processes for making the product) regulated by the FDCA. The length of the patent extension is roughly based on 50 percent of the period of time from the filing of an Investigational New Drug Application (IND) for a compound to the submission of the NDA for such compound, plus 100 percent of the time period from NDA submission to regulatory approval. The extension, however, cannot exceed five years and the patent term remaining after regulatory approval cannot exceed 14 years. Biological products licensed under the PHSA are similarly eligible for terms of patent restoration.

Pharmaceutical products may be entitled to other forms of legal or regulatory exclusivity upon approval. The scope, length and requirements for each of these exclusivities vary both in the United States and in other jurisdictions. In the United States, if the FDA approves a conventional drug product that contains an active ingredient not previously approved, the product is typically entitled to five years of non-patent regulatory exclusivity. Specific conditions of use approved for

individual products may also be entitled to three years of exclusivity if approval was based on the FDA's reliance on new clinical studies essential to approval submitted by the NDA applicant. If the NDA applicant studies the product for use by children, the FDA may grant pediatric exclusivity, which extends by 180 days all existing exclusivities (patent and regulatory) related to the product. For products that are either used to treat conditions that afflict a relatively small population or for which there is not a reasonable expectation that the research and development costs will be recovered, the FDA may designate the pharmaceutical as an orphan drug and grant it seven years of exclusivity. Other types of regulatory exclusivity may also be available, such as Generating New Antibiotic Incentives Now (GAIN) exclusivity, which can provide new antibiotic or new antifungal drugs an additional five years of exclusivity to be added to certain exclusivities already provided for by law.

Applicable laws and regulations dictate the scope of any exclusivity to which a product or particular characteristics of a product is entitled upon approval in any particular country. In certain instances, regulatory exclusivity may offer protection where patent protection is no longer available or for a period of time in excess of patent protection. It is not possible to estimate for each product in development the total period and scope of exclusivity to which it may become entitled until regulatory approval is obtained or sometimes even later. However, given the length of time required to complete clinical development of a pharmaceutical product, the periods of exclusivity that might be achieved in any individual case would not generally be expected to exceed a minimum of three years and a maximum of 14 years. These estimates do not consider other factors, such as the difficulty of recreating the manufacturing process for a particular product or other proprietary knowledge that may delay the introduction of a generic or other follow-on product after the expiration of applicable patent and other regulatory exclusivity periods.

Biologics may be entitled to exclusivity under the Biologics Price Competition and Innovation Act, which was passed on March 23, 2010 as Title VII to the Patient Protection and Affordable Care Act. The law provides a pathway for approval of biosimilars following the expiration of 12 years of regulatory exclusivity for the innovator biologic and a potential additional 180 day-extension term for conducting pediatric studies. Biologics are also eligible for orphan drug exclusivity, as discussed above. The law also includes an extensive process for the innovator biologic and biosimilar manufacturer to litigate patent infringement, validity and enforceability. The European Union has also created a pathway for approval of biosimilars and has published guidelines for approval of certain biosimilar products. The more complex nature of biologics and biosimilar products has led to close regulatory scrutiny over follow-on biosimilar products, which can reduce the effect of biosimilars on sales of the innovator biologic as compared to the sales erosion caused by generic versions of small molecule pharmaceutical products.

AbbVie owns or has licensed rights to a substantial number of patents and patent applications. AbbVie licenses or owns a patent portfolio of thousands of patent families, each of which includes United States patent applications and/or issued patents and may also contain the non-United States counterparts to these patents and applications.

These patents and applications, including various patents that expire during the period 2022 to the early 2040s, in aggregate are believed to be of material importance in the operation of AbbVie's business. However, AbbVie believes that no single patent, license, trademark (or related group of patents, licenses, or trademarks), except for those related to adalimumab (which is sold under the trademark Humira), are material in relation to the company's business as a whole. The United States composition of matter (that is, compound) patent covering adalimumab expired in December 2016, and the equivalent European Union patent expired in October 2018 in the majority of European Union countries. In the United States, non-composition of matter patents covering adalimumab expire no earlier than 2022. AbbVie has entered into settlement and license agreements with several adalimumab biosimilar manufacturers. Under the agreements, the licenses in the United States will begin in 2023 and the licenses in Europe began in 2018.

In addition, the following patents, licenses and trademarks are significant: those related to ibrutinib (which is sold under the trademark Imbruvica) and those related to risankizumab (which is sold under the trademark Skyrizi). The United States composition of matter patent covering ibrutinib is expected to expire in 2027, however no generic entry for any ibrutinib product is expected prior to March 30, 2032, assuming pediatric exclusivity is granted. The United States composition of matter patent covering risankizumab is expected to expire in 2033.

AbbVie may rely, in some circumstances, on trade secrets to protect its technology. AbbVie seeks to protect its technology and product candidates, in part, by confidentiality agreements with its employees, consultants, advisors, contractors and collaborators. These agreements may be breached and AbbVie may not have adequate remedies for any breach. In addition, AbbVie's trade secrets may otherwise become known or be independently discovered by competitors. To the extent that AbbVie's employees, consultants, advisors, contractors and collaborators use intellectual property owned by others in their work for the company, disputes may arise as to the rights in related or resulting know-how and inventions.

Licensing, Acquisitions and Other Arrangements

In addition to its independent efforts to develop and market products, AbbVie enters into arrangements such as acquisitions, option-to-acquire agreements, licensing arrangements, option-to-license arrangements, strategic alliances, co-promotion arrangements, co-development and co-marketing agreements and joint ventures. The acquisitions and option-to-acquire agreements typically include, among other terms and conditions, non-refundable purchase price payments or option fees, option exercise payments, milestones or earn-outs and other customary terms and obligations. The licensing and other arrangements typically include, among other terms and conditions, non-refundable upfront license fees, option fees and option exercise payments, milestone payments and royalty and/or profit sharing obligations. See Note 5, "Licensing, Acquisitions and Other Arrangements—Other Licensing & Acquisitions Activity," to the Consolidated Financial Statements included under Item 8, "Financial Statements and Supplementary Data."

Third Party Agreements

AbbVie has agreements with third parties for process development, product distribution, analytical services and manufacturing of certain products. AbbVie procures certain products and services from a limited number of suppliers and, in some cases, a single supply source. In addition, AbbVie has agreements with third parties for active pharmaceutical ingredient and product manufacturing, formulation and development services, fill, finish and packaging services, transportation and distribution and logistics services for certain products. AbbVie does not believe that these manufacturing related agreements are material because AbbVie's business is not substantially dependent on any individual agreement. In most cases, AbbVie maintains alternate supply relationships that it can utilize without undue disruption of its manufacturing processes if a third party fails to perform its contractual obligations. AbbVie seeks to maintain sufficient inventory of product to minimize the impact of any supply disruption.

AbbVie is also party to certain collaborations and other arrangements, as discussed in Note 5, "Licensing, Acquisitions and Other Arrangements—Other Licensing & Acquisitions Activity," to the Consolidated Financial Statements included under Item 8, "Financial Statements and Supplementary Data."

Sources and Availability of Raw Materials

AbbVie purchases, in the ordinary course of business, raw materials and supplies essential to its operations from numerous suppliers around the world. In addition, certain medical devices and components necessary for the manufacture of AbbVie products are provided by unaffiliated third party suppliers. Despite the disruption to the global supply chain caused by COVID-19, AbbVie has continued to supply patients with no material supply impact, except for the previously-disclosed near-term supply issues impacting Lupron. Given the general increased global volatility due to the pandemic, AbbVie is monitoring and taking actions to mitigate potential supply shortages which may impact the fulfillment of product demand.

Research and Development Activities

AbbVie makes a significant investment in research and development and has numerous compounds (and complementary devices) in clinical development, including potential treatments for complex, life-threatening diseases. AbbVie's ability to discover and develop new compounds is enhanced by the company's use of integrated discovery and development project teams, which include chemists, biologists, physicians and pharmacologists who work on the same compounds as a team. AbbVie also partners with third parties, such as biotechnology companies, other pharmaceutical companies and academic institutions to identify and prioritize promising new treatments that complement and enhance AbbVie's existing portfolio. AbbVie also supplements its research and development efforts with acquisitions.

The research and development process generally begins with discovery research which focuses on the identification of a molecule that has a desired effect against a given disease. If preclinical testing of an identified compound proves successful, the compound moves into clinical development which generally includes the following phases:

- Phase 1— involves the first human tests in a small number of healthy volunteers or patients to assess safety, tolerability and doses for later phases.
- Phase 2— tests different doses of the drug in a disease state in order to assess efficacy.
- Phase 3— tests a drug that demonstrates favorable results in the earlier phases in a significantly larger patient population to further demonstrate efficacy and safety in order to meet requirements to enable global approval.

Preclinical data and clinical trials from all of the development phases provide the data required to prepare and submit an NDA, a Biological License Application (BLA) or other submission for regulatory approval to the FDA or similar government agencies outside the United States. The specific requirements (e.g., scope of clinical trials) for obtaining regulatory approval vary across different countries and geographic regions.

The research and development process from discovery through a new drug launch typically takes 8 to 12 years and can be even longer. The research and development of new pharmaceutical products has a significant amount of inherent uncertainty. There is no guarantee when, or if, a molecule will receive the regulatory approval required to launch a new drug or indication.

In addition to the development of new products, delivery devices, and new formulations, research and development projects also may include Phase 4 trials, sometimes called post-marketing studies. For such projects, clinical trials are designed and conducted to collect additional data regarding, among other parameters, the benefits and risks of an approved drug.

Regulation—Discovery and Clinical Development

United States. Securing approval to market a new pharmaceutical product in the United States requires substantial effort and financial resources and takes several years to complete. The applicant must complete preclinical tests and submit protocols to the FDA before commencing clinical trials. Clinical trials are intended to establish the safety and efficacy of the pharmaceutical product and typically are conducted in sequential phases, although the phases may overlap or be combined. If the required clinical testing is successful, the results are submitted to the FDA in the form of an NDA or BLA requesting approval to market the product for one or more indications. The FDA reviews an NDA or BLA to determine whether a product is safe and effective for its intended use and whether its manufacturing is compliant with current Good Manufacturing Practices (cGMP).

Compliance with regulatory requirements is assured through periodic, announced or unannounced inspections by the FDA and other regulatory authorities, and these inspections associated with clinical development may include the sponsor, investigator sites, laboratories, hospitals and manufacturing facilities of AbbVie's subcontractors or other third-party manufacturers. Failure to comply with applicable regulatory requirements can result in enforcement action by the FDA, including rejection of an NDA or BLA.

Even if an NDA or a BLA receives approval, the applicant must comply with post-approval requirements. For example, holders of an approval must report adverse reactions, provide updated safety and efficacy information and comply with requirements concerning advertising and promotional materials and activities. Also, quality control and manufacturing procedures must continue to conform to cGMP after approval, and certain changes to the manufacturing procedures and finished product must be submitted and approved by the FDA prior to implementation. The FDA periodically inspects manufacturing facilities to assess compliance with cGMP, which imposes extensive procedural and record keeping requirements. In addition, as a condition of approval, the FDA may require post-marketing testing and surveillance to further assess and monitor the product's safety or efficacy after commercialization, which may require additional clinical trials, patient registries, observational data or additional work on chemistry, manufacturing and controls. Any post-approval regulatory obligations, and the cost of complying with such obligations, could expand in the future. Further, the FDA continues to regulate product labeling, and prohibits the promotion of products for unapproved or "off-label" uses along with other labeling restrictions.

Outside the United States. AbbVie is subject to similar regulatory requirements outside the United States for approval and marketing of pharmaceutical products. AbbVie must obtain approval of a clinical trial application or product from applicable supervising regulatory authorities before it can commence clinical trials or marketing of the product in target markets. The approval requirements and process for each country can vary, and the time required to obtain approval may be longer or shorter than that required for FDA approval in the United States. For example, AbbVie may submit marketing authorizations in the European Union under either a centralized or decentralized procedure. The centralized procedure is mandatory for the approval of biotechnology products and many pharmaceutical products and provides for a single marketing authorization that is valid for all European Union member states. Under the centralized procedure, a single marketing authorization application is submitted to the European Medicines Agency. After the agency evaluates the application, it makes a recommendation to the European Commission, which then makes the final determination on whether to approve the application. The decentralized procedure provides for mutual recognition of individual national approval decisions and is available for products that are not subject to the centralized procedure.

In Japan, applications for approval of a new product are made through the Pharmaceutical and Medical Devices Agency (PMDA). Japan-specific trials and/or bridging studies to demonstrate that the non-Japanese clinical data applies to Japanese patients may be required. After completing a comprehensive review, the PMDA reports to the Ministry of Health, Labour and Welfare, which then approves or denies the application.

Similarly, applications for a new product in China are submitted to the Center for Drug Evaluation (CDE) of the National Medical Products Administration for technical review and approval of a product for marketing in China. Clinical data in Chinese subjects are usually required to support approval in China, requiring the inclusion of China in global pivotal studies, or a separate China/Asian clinical trial.

The regulatory process in many emerging markets continues to evolve. Many emerging markets, including those in Asia, generally require regulatory approval to have been obtained in a large developed market (such as the United States or Europe) before the country will begin or complete its regulatory review process. Similar to the requirements in Japan and China, certain countries (notably South Korea, Taiwan, India and Russia) also generally require that local clinical studies be conducted in order to support regulatory approval in the country.

The requirements governing the conduct of clinical trials and product licensing also vary. In addition, post-approval regulatory obligations such as adverse event reporting and cGMP compliance generally apply and may vary by country. For example, after a marketing authorization has been granted in the European Union, periodic safety reports must be submitted and other pharmacovigilance measures may be required (such as Risk Management Plans).

Regulation—Commercialization, Distribution and Manufacturing

The manufacturing, marketing, sale, promotion and distribution of AbbVie's products are subject to comprehensive government regulation. Government regulation by various national, regional, federal, state and local agencies, both in the United States and other countries, addresses (among other matters) inspection of, and controls over, research and laboratory procedures, clinical investigations, product approvals and manufacturing, labeling, packaging, marketing and promotion, pricing and reimbursement, sampling, distribution, quality control, post-marketing surveillance, record keeping, storage and disposal practices. AbbVie's operations are also affected by trade regulations in many countries that limit the import of raw materials and finished products and by laws and regulations that seek to prevent corruption and bribery in the marketplace (including the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act, which provide guidance on corporate interactions with government officials) and require safeguards for the protection of personal data. In addition, AbbVie is subject to laws and regulations pertaining to health care fraud and abuse, including state and federal anti-kickback and false claims laws in the United States. Prescription drug manufacturers such as AbbVie are also subject to taxes, as well as application, product, user and other fees.

Compliance with these laws and regulations is costly and materially affects AbbVie's business. Among other effects, health care regulations substantially increase the time, difficulty and costs incurred in obtaining and maintaining approval to market newly developed and existing products. AbbVie expects compliance with these regulations to continue to require significant technical expertise and capital investment to ensure compliance. Failure to comply can delay the release of a new product or result in regulatory and enforcement actions, the seizure or recall of a product, the suspension or revocation of the authority necessary for a product's production and sale and other civil or criminal sanctions, including fines and penalties.

In addition to regulatory initiatives, AbbVie's business can be affected by ongoing studies of the utilization, safety, efficacy and outcomes of health care products and their components that are regularly conducted by industry participants, government agencies and others. These studies can lead to updates to the data regarding utilization, safety and efficacy of previously marketed products. In some cases, these studies have resulted, and may in the future result, in the discontinuance of, or limitations on, marketing of such products domestically or worldwide, and may give rise to claims for damages from persons who believe they have been injured as a result of their use.

Access to human health care products continues to be a subject of oversight, investigation and action by governmental agencies, legislative bodies and private organizations in the United States and other countries. A major focus is cost containment. Efforts to reduce health care costs are also being made in the private sector, notably by health care payers and providers, which have instituted various cost reduction and containment measures. AbbVie expects insurers and providers to continue attempts to reduce the cost of health care products. Outside the United States, many countries control the price of health care products directly or indirectly, through reimbursement, payment, pricing, coverage limitations, or compulsory licensing. Political and budgetary pressures in the United States and in other countries may also heighten the scope and severity of pricing pressures on AbbVie's products for the foreseeable future.

United States. Specifically, U.S. federal laws require pharmaceutical manufacturers to pay certain statutorily-prescribed rebates to state Medicaid programs on prescription drugs reimbursed under state Medicaid plans, and the efforts by states to seek additional rebates may affect AbbVie's business. Similarly, the Veterans Health Care Act of 1992, as a prerequisite to participation in Medicaid and other federal health care programs, requires that manufacturers extend additional discounts on pharmaceutical products to various federal agencies, including the United States Department of Veterans Affairs, Department of Defense and Public Health Service entities and institutions. In addition, recent legislative changes would require similarly discounted prices to be offered to TRICARE program beneficiaries. The Veterans Health Care Act of 1992 also established the 340B drug discount program, which requires pharmaceutical manufacturers to provide products at reduced prices to various designated health care entities and facilities.

In the United States, most states also have generic substitution legislation requiring or permitting a dispensing pharmacist to substitute a different manufacturer's generic version of a pharmaceutical product for the one prescribed. In

addition, the federal government follows a diagnosis-related group (DRG) payment system for certain institutional services provided under Medicare or Medicaid and has implemented a prospective payment system (PPS) for services delivered in hospital outpatient, nursing home and home health settings. DRG and PPS entitle a health care facility to a fixed reimbursement based on the diagnosis and/or procedure rather than actual costs incurred in patient treatment, thereby increasing the incentive for the facility to limit or control expenditures for many health care products. Medicare reimburses Part B drugs based on average sales price plus a certain percentage to account for physician administration costs, which have been reduced in the hospital outpatient setting. Medicare enters into contracts with private plans to negotiate prices for most patient-administered medicine delivered under Part D.

Under the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act (together, the Affordable Care Act), AbbVie pays a fee related to its pharmaceuticals sales to government programs. In addition, AbbVie provides a discount of 70% for branded prescription drugs sold to patients who fall into the Medicare Part D coverage gap, or "donut hole."

The Affordable Care Act also includes provisions known as the Physician Payments Sunshine Act, which require manufacturers of drugs and biologics covered under Medicare and Medicaid to record any transfers of value to physicians and teaching hospitals and to report this data to the Centers for Medicare and Medicaid Services for subsequent public disclosure. Similar reporting requirements have also been enacted on the state level in the United States, and an increasing number of countries worldwide either have adopted or are considering similar laws requiring disclosure of interactions with health care professionals. Failure to report appropriate data may result in civil or criminal fines and/or penalties.

AbbVie expects debate to continue during 2022 at all government levels worldwide over the marketing, availability, method of delivery and payment for health care products and services. AbbVie believes that future legislation and regulation in the markets it serves could affect access to health care products and services, increase rebates, reduce prices or the rate of price increases for health care products and services, change health care delivery systems, create new fees and obligations for the pharmaceuticals industry, or require additional reporting and disclosure. It is difficult to predict the extent to which AbbVie or the health care industry in general might be affected by the matters discussed above.

European Union. The European Union has adopted directives and other legislation governing labeling, advertising, distribution, supply, pharmacovigilance and marketing of pharmaceutical products. Such legislation provides mandatory standards throughout the European Union and permits member states to supplement these standards with additional regulations. European governments also regulate pharmaceutical product prices through their control of national health care systems that fund a large part of the cost of such products to consumers. As a result, patients are unlikely to use a pharmaceutical product that is not reimbursed by the government. In many European countries, the government either regulates the pricing of a new product at launch or subsequent to launch through direct price controls or reference pricing. In recent years, many countries have also imposed new or additional cost containment measures on pharmaceutical products. Differences between national pricing regimes create price differentials within the European Union that can lead to significant parallel trade in pharmaceutical products.

Most governments also promote generic substitution by mandating or permitting a pharmacist to substitute a different manufacturer's generic version of a pharmaceutical product for the one prescribed and by permitting or mandating that health care professionals prescribe generic versions in certain circumstances. Many governments are also following a similar path for biosimilar therapies. In addition, governments use reimbursement lists to limit the pharmaceutical products that are eligible for reimbursement by national health care systems.

Japan. In Japan, the National Health Insurance system maintains a Drug Price List specifying which pharmaceutical products are eligible for reimbursement, and the Ministry of Health, Labour and Welfare sets the prices of the products on this list. The government generally introduces price cut rounds every other year and also mandates price decreases for specific products. New products judged innovative or useful, that are indicated for pediatric use, or that target orphan or small population diseases, however, may be eligible for a pricing premium. The government has also promoted the use of generics, where available.

Emerging Markets. Many emerging markets take steps to reduce pharmaceutical product prices, in some cases through direct price controls and in others through the promotion of generic/biosimilar alternatives to branded pharmaceuticals.

Since AbbVie markets its products worldwide, certain products of a local nature and variations of product lines must also meet other local regulatory requirements. Certain additional risks are inherent in conducting business outside the United States, including price and currency exchange controls, changes in currency exchange rates, limitations on participation in local enterprises, expropriation, nationalization and other governmental action.

Regulation – Medical Devices

Medical devices are subject to regulation by the FDA, state agencies and foreign government health authorities. FDA regulations, as well as various U.S. federal and state laws, govern the development, clinical testing, manufacturing, labeling, record keeping and marketing of medical device products agencies in the United States. AbbVie's medical device product candidates, including AbbVie's breast implants, must undergo rigorous clinical testing and an extensive government regulatory clearance or approval process prior to sale in the United States and other countries. The lengthy process of clinical development and submissions for clearance or approval, and the continuing need for compliance with applicable laws and regulations, require the expenditure of substantial resources. Regulatory clearance or approval, when and if obtained, may be limited in scope, and may significantly limit the indicated uses for which a product may be marketed. Cleared or approved products and their manufacturers are subject to ongoing review, and discovery of previously unknown problems with products may result in restrictions on their manufacture, sale and/or use or require their withdrawal from the market.

United States. AbbVie's medical device products are subject to extensive regulation by the FDA in the United States. Unless an exemption applies, each medical device AbbVie markets in the United States must have a 510(k) clearance or a Premarket Approval Application (PMA) in accordance with the FDCA and its implementing regulations. The FDA classifies medical devices into one of three classes, depending on the degree of risk associated with each medical device and the extent of controls that are needed to ensure safety and effectiveness. Devices deemed to pose a lower risk are placed in either Class I or Class II, and devices deemed by the FDA to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices, or a device deemed to be not substantially equivalent to a previously cleared 510(k) device, are placed in Class III. In general, a Class III device cannot be marketed in the United States unless the FDA approves the device after submission of a PMA, and any changes to the device subsequent to initial FDA approval must also be reviewed and approved by the FDA. The majority of AbbVie's medical device products, including AbbVie's breast implants, are regulated as Class III medical devices. A Class III device may have significant additional obligations imposed in its conditions of approval, and the time in which it takes to obtain approval can be long. Compliance with regulatory requirements is assured through periodic, unannounced facility inspections by the FDA and other regulatory authorities, and these inspections may include the manufacturing facilities of AbbVie's subcontractors or other third-party manufacturers. Failure to comply with applicable regulatory requirements can result in enforcement action by the FDA, which may include any of the following sanctions: warning letters or untitled letters; fines, injunctions and civil penalties; recall or seizure of AbbVie' products; operating restrictions, partial suspension or total shutdown of production; refusing AbbVie' request for 510(k) clearance or PMA approval of new products; withdrawing 510(k) clearance or PMA approvals that are already granted; and criminal prosecution.

A clinical trial is almost always required to support a PMA application and is sometimes required for a 510(k) premarket notification. Clinical trials generally require submission of an application for an investigational device exemption (IDE), which must be supported by appropriate data, such as animal and laboratory testing results, showing that it is safe to test the device in humans and that the testing protocol is scientifically sound. A study sponsor must obtain approval for its IDE from the FDA, and it must also obtain approval of its study from the Institutional Review Board overseeing the trial. The results of clinical testing may not be sufficient to obtain approval of the investigational device.

Once a device is approved, the manufacture and distribution of the device remains subject to continuing regulation by the FDA, including Quality System Regulation requirements, which involve design, testing, control, documentation and other quality assurance procedures during the manufacturing process. Medical device manufacturers and their subcontractors are required to register their establishments and list their manufactured devices with the FDA and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with regulatory requirements. Manufacturers must also report to the FDA if their devices may have caused or contributed to a death or serious injury or malfunctioned in a way that could likely cause or contribute to a death or serious injury, or if the manufacturer conducts a field correction or product recall or removal to reduce a risk to health posed by a device or to remedy a violation of the FDCA that may present a health risk. Further, the FDA continues to regulate device labeling, and prohibits the promotion of products for unapproved or "off-label" uses along with other labeling restrictions.

European Union. Medical device products that are marketed in the European Union must comply with the requirements of the Medical Device Regulation (the MDR), which came into effect in May 2021. The MDR provides for regulatory oversight with respect to the design, manufacture, clinical trials, labeling and adverse event reporting for medical devices to ensure that medical devices marketed in the European Union are safe and effective for their intended uses. Medical devices that comply with the MDR are entitled to bear a Conformité Européenne marking evidencing such compliance and may be marketed in the European Union. Failure to comply with these domestic and international regulatory requirements could affect AbbVie's ability to market and sell AbbVie's products in these countries.

Environmental Matters

AbbVie believes that its operations comply in all material respects with applicable laws and regulations concerning environmental protection. Regulations under federal and state environmental laws impose stringent limitations on emissions and discharges to the environment from various manufacturing operations. AbbVie's capital expenditures for pollution control in 2021 were approximately \$17 million and operating expenditures were approximately \$33 million. In 2022, capital expenditures for pollution control are estimated to be approximately \$14 million and operating expenditures are estimated to be approximately \$34 million.

Abbott was identified as one of many potentially responsible parties in investigations and/or remediations at several locations in the United States, including Puerto Rico, under the Comprehensive Environmental Response, Compensation and Liability Act, commonly known as Superfund. Some of these locations were transferred to AbbVie in connection with the separation and distribution, and AbbVie has become a party to these investigations and remediations. Abbott was also engaged in remediation at several other sites, some of which have been transferred to AbbVie in connection with the separation and distribution, in cooperation with the Environmental Protection Agency or similar agencies. While it is not feasible to predict with certainty the final costs related to those investigations and remediation activities, AbbVie believes that such costs, together with other expenditures to maintain compliance with applicable laws and regulations concerning environmental protection, should not have a material adverse effect on the company's financial position, cash flows, or results of operations.

Employees

AbbVie employed approximately 50,000 employees in over 70 countries as of January 31, 2022. Outside the United States, some of AbbVie's employees are represented by unions or works councils. AbbVie believes that it has good relations with its employees.

Human Capital Management

Attracting, retaining and providing meaningful growth and development opportunities to AbbVie's employees is critical to the company's success in making a remarkable impact on people's lives around the world. AbbVie leverages numerous resources to identify and enhance strategic and leadership capability, foster employee engagement and create a culture where diverse talent is productive and engaged. AbbVie invests in its employees through competitive compensation, benefits and employee support programs and offers best-in-class development and leadership opportunities. AbbVie has developed a deep talent base through ongoing investment in functional and leadership training and by sourcing world-class external talent, ensuring a sustainable talent pipeline. AbbVie continuously cultivates and enhances its working culture and embraces equality, diversity and inclusion as fundamental to the company's mission.

Attracting and Developing Talent. Attracting and developing high-performing talent is essential to AbbVie's continued success. AbbVie implements detailed talent attraction strategies, with an emphasis on STEM skill sets, a diverse talent base and other critical skillsets, including drug discovery, clinical development, market access and business development. AbbVie also invests in competitive compensation and benefits programs. In addition to offering a comprehensive suite of benefits ranging from medical and dental coverage to retirement, disability and life insurance programs, AbbVie also provides health promotion programs, mental health awareness campaigns and employee assistance programs in several countries, financial wellness support, on-site health screenings and immunizations in several countries and on-site fitness and rehabilitation centers. In addition, the AbbVie Employee Assistance Fund (a part of the AbbVie Foundation) supports two programs for global employees: the AbbVie Possibilities Scholarship for children of employees, which is an annual merit-based scholarship for use at accredited colleges, universities or vocational-technical schools; and the Employee Relief Program, which is financial assistance to support short term needs of employees when faced with large-scale disasters (e.g. a hurricane), individual disasters (e.g. a home fire) or financial hardship (e.g. the death of a spouse). Finally, AbbVie empowers managers and their teams with tools, tips and guidelines on effectively managing workloads, managing teams from a distance and supporting flexible work practices.

New AbbVie employees are given a tailored onboarding experience for faster integration and to support performance. AbbVie's mentorship program allows employees to self-nominate as mentors or mentees and facilitates meaningful relationships supporting employees' career and development goals.

AbbVie also provides structured, broad-based development opportunities, focusing on high-performance skills and leadership training. AbbVie's talent philosophy holds leaders accountable for building a high-performing organization, and the company provides development opportunities to all levels of leadership. AbbVie's Learn, Develop, Perform program offers year-long, self-directed leadership education, supplemented with tools and resources, and leverages leaders as role models and teachers. In addition, the foundation to AbbVie's leadership pipeline is the company's Professional Development

Programs, which attract graduates, postgraduates and post-doctoral talent to participate in formal development programs lasting up to three years, with the objective of strengthening functional and leadership capabilities.

Culture. AbbVie's shared values of transforming lives, acting with integrity, driving innovation, embracing diversity and inclusion and serving the community form the core of the company's culture. AbbVie articulates the behaviors associated with these values in the Ways We Work, a core set of working behaviors that emphasize how the company achieves results is equally as important as achieving them. The Ways We Work are designed to ensure that every AbbVie employee is aware of the company's cultural expectations. AbbVie integrates the Ways We Work into all talent processes, forming the basis for assessing performance, prioritizing development and ultimately rewarding employees. AbbVie believes its culture creates strong engagement, which is measured regularly through a confidential, third party all-employee survey, and this engagement supports AbbVie's mission of making a remarkable impact on people's lives.

Equity, Equality, Diversity & Inclusion (EED&I). A cornerstone of AbbVie's human capital management approach is to prioritize fostering an inclusive and diverse workforce. In 2019, AbbVie adopted a five-year Equality, Diversity & Inclusion roadmap that defines key global focus areas, objectives and associated initiatives, and includes implementation plans organized by business function and geography. AbbVie's senior leaders have adopted formal goals aligned with executing this strategy. In recent years, AbbVie's board of directors has prioritized oversight of AbbVie's response to the U.S. racial justice movement, including overseeing internal programs designed to ensure that AbbVie is attracting, retaining and developing diverse talent. Through December 2021, women represented 51 percent of management positions globally and in the United States, 35 percent of AbbVie's workforce was comprised of members of historically underrepresented populations, an increase from 2020. Further, AbbVie is committed to pay equity and conducts pay equity analyses annually. A critical component of AbbVie's strategy is to instill an inclusive mindset in all AbbVie leaders and employees, so the company can realize the full value of a diverse workforce from recruitment through retirement. AbbVie recently launched a new resource for people who manage others to reinforce the importance of EED&I to the business, educate leaders on inclusive recruiting practices and modeling inclusive behavior, and encourage participation in the company's inclusive culture learning opportunities. AbbVie's Employee Resource Groups also help the company nurture an inclusive culture by building community, hosting awareness events and providing leadership and career opportunities. In 2021, AbbVie reiterated its commitment to racial equality and social justice by, among other things, expanding its employee matching program to \$3-to-\$1 for donations to civil rights nonprofits fostering racial equity and by reaffirming its commitment to clinical trial diversity. Additional information about AbbVie's efforts on racial equality and social justice is provided on the company's website at: <https://abbvie.com/our-company/equality-inclusion-diversity/our-commitment-to-racial-justice.html>.

COVID-19 Health and Safety. AbbVie has effectively prioritized the health and safety of its employees during the COVID-19 pandemic, while continuing to drive strong business performance. AbbVie implemented, among other things, temporary office and facility closures and establishment of new safety and cleaning protocols and procedures; regular communication regarding the effect of the pandemic on AbbVie's business and employees; establishment of physical distancing procedures, modification of workspaces and provision of personal protective equipment and cleaning supplies for employees; provision of on-site vaccinations and temperature screenings; a variety of testing and vaccination resources including on-site vaccinations and on-site and at-home testing and COVID case management programs; and remote working accommodations and related services to support employees' needs for flexibility. In addition, COVID-19 is a covered event under the AbbVie Employee Assistance Fund's Employee Relief Program, entitling eligible AbbVie employees and their families to financial assistance to pay for mortgage/rent, utilities, food, childcare and medical expenses not covered by insurance. AbbVie also provided paid leave and other support and accommodations to the company's employees with relevant medical, pharmaceutical, research and development, science, public health and public safety skills, knowledge, training and experience who desired or were requested or mandated to serve as volunteers during the pandemic. Lastly, AbbVie's commitment to employees has been evidenced by no workforce reductions and no salary reductions associated with COVID-19.

Internet Information

Copies of AbbVie's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge through AbbVie's investor relations website (investors.abbvie.com) as soon as reasonably practicable after AbbVie electronically files the material with, or furnishes it to, the Securities and Exchange Commission (SEC).

AbbVie's corporate governance guidelines, outline of directorship qualifications, code of business conduct and the charters of AbbVie's audit committee, compensation committee, nominations and governance committee and public policy committee are all available on AbbVie's investor relations website (investors.abbvie.com).

ITEM 1A. RISK FACTORS

You should carefully consider the following risks and other information in this Form 10-K in evaluating AbbVie and AbbVie's common stock. Any of the following risks could materially and adversely affect AbbVie's results of operations, financial condition or cash flows. The risk factors generally have been separated into two groups: risks related to AbbVie's business and risks related to AbbVie's common stock. Based on the information currently known to it, AbbVie believes that the following information identifies the most significant risk factors affecting it in each of these categories of risks. However, the risks and uncertainties AbbVie faces are not limited to those set forth in the risk factors described below and may not be in order of importance or probability of occurrence. Additional risks and uncertainties not presently known to AbbVie or that AbbVie currently believes to be immaterial may also adversely affect its business. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

If any of the following risks and uncertainties develops into actual events, these events could have a material adverse effect on AbbVie's business, results of operations, financial condition or cash flows. In such case, the trading price of AbbVie's common stock could decline.

Risks Related to AbbVie's Business

Public health outbreaks, epidemics or pandemics, such as the coronavirus (COVID-19), have had, and could in the future have, an adverse impact on AbbVie's operations and financial condition.

Public health outbreaks, epidemics or pandemics have had, and could in the future have, an adverse impact on AbbVie's operations and financial condition. The continuing pandemic caused by the novel strain of coronavirus (COVID-19) has caused many countries, including the United States, to declare national emergencies and implement preventive measures such as travel bans and shelter in place or total lock-down orders, some of which have eased. The continuation or re-implementation of these bans and orders remains uncertain. The COVID-19 pandemic has caused AbbVie to modify its business practices (including instituting remote work for many of AbbVie's employees), and AbbVie may take further actions as may be required by government authorities or as AbbVie determines are in the best interests of AbbVie's employees, patients, customers and business partners.

While the impact of COVID-19 on AbbVie's operations, including, among others, its manufacturing and supply chain, sales and marketing, commercial and clinical trial operations, to date has not been material, AbbVie has experienced lower new patient starts in certain products and markets. The impact of COVID-19 on AbbVie over the long-term is uncertain and cannot be predicted with confidence. The extent of the adverse impact of COVID-19 on AbbVie's operations will depend on the extent and severity of the continued spread of COVID-19 globally, the timing and nature of actions taken to respond to COVID-19 and the resulting economic consequences. Ultimately, efforts to mitigate the impact of COVID-19 may not completely prevent AbbVie's business from being adversely affected and future impacts remain uncertain.

The expiration or loss of patent protection and licenses may adversely affect AbbVie's future revenues and operating earnings.

AbbVie relies on patent, trademark and other intellectual property protection in the discovery, development, manufacturing and sale of its products. In particular, patent protection is, in the aggregate, important in AbbVie's marketing of pharmaceutical products in the United States and most major markets outside of the United States. Patents covering AbbVie products normally provide market exclusivity, which is important for the profitability of many of AbbVie's products.

As patents for certain of its products expire, AbbVie will or could face competition from lower priced generic or biosimilar products. The expiration or loss of patent protection for a product typically is followed promptly by substitutes that may significantly reduce sales for that product in a short amount of time. If AbbVie's competitive position is compromised because of generics, biosimilars or otherwise, it could have a material adverse effect on AbbVie's business and results of operations. In addition, proposals emerge from time to time for legislation to further encourage the early and rapid approval of generic drugs or biosimilars. Any such proposals that are enacted into law could increase the impact of generic competition.

AbbVie's principal patents and trademarks are described in greater detail in Item 1, "Business—Intellectual Property Protection and Regulatory Exclusivity" and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations," and litigation regarding these patents is described in Item 3, "Legal Proceedings." The United States composition of matter patent for Humira, which is AbbVie's largest product and had worldwide net revenues of approximately \$20.7 billion in 2021, expired in December 2016, and the equivalent European Union patent expired in the majority of European Union countries in October 2018.

AbbVie's major products could lose patent protection earlier than expected, which could adversely affect AbbVie's future revenues and operating earnings.

Third parties or government authorities may challenge or seek to invalidate or circumvent AbbVie's patents and patent applications. For example, manufacturers of generic pharmaceutical products file, and may continue to file, Abbreviated New Drug Applications with the FDA seeking to market generic forms of AbbVie's products prior to the expiration of relevant patents owned or licensed by AbbVie by asserting that the patents are invalid, unenforceable and/or not infringed. In addition, petitioners have filed, and may continue to file, challenges to the validity of AbbVie patents under the 2011 Leahy-Smith America Invents Act, which created *inter partes* review and post grant review procedures for challenging patent validity in administrative proceedings at the United States Patent and Trademark Office.

Although most of the challenges to AbbVie's intellectual property have come from other businesses, governments may also challenge intellectual property rights. For example, court decisions and potential legislation relating to patents, such as legislation regarding biosimilars, and other regulatory initiatives may result in further erosion of intellectual property protection. In addition, certain governments outside the United States have indicated that compulsory licenses to patents may be sought to further their domestic policies or on the basis of national emergencies, such as HIV/AIDS. If triggered, compulsory licenses could diminish or eliminate sales and profits from those jurisdictions and negatively affect AbbVie's results of operations.

AbbVie normally responds to challenges by vigorously defending its patents, including by filing patent infringement lawsuits. Patent litigation, administrative proceedings and other challenges to AbbVie's patents are costly and unpredictable and may deprive AbbVie of market exclusivity for a patented product. To the extent AbbVie's intellectual property is successfully challenged, circumvented or weakened, or to the extent such intellectual property does not allow AbbVie to compete effectively, AbbVie's business will suffer. To the extent that countries do not enforce AbbVie's intellectual property rights or require compulsory licensing of AbbVie's intellectual property, AbbVie's future revenues and operating earnings will be reduced.

A third party's intellectual property may prevent AbbVie from selling its products or have a material adverse effect on AbbVie's future profitability and financial condition.

Third parties may claim that an AbbVie product infringes upon their intellectual property. Resolving an intellectual property infringement claim can be costly and time consuming and may require AbbVie to enter into license agreements. AbbVie cannot guarantee that it would be able to obtain license agreements on commercially reasonable terms. A successful claim of patent or other intellectual property infringement could subject AbbVie to significant damages or an injunction preventing the manufacture, sale, or use of the affected AbbVie product or products. Any of these events could have a material adverse effect on AbbVie's profitability and financial condition.

Any significant event that adversely affects Humira revenues could have a material and negative impact on AbbVie's results of operations and cash flows.

Humira accounted for approximately 37% of AbbVie's total net revenues in 2021. Any significant event that adversely affects Humira's revenues could have a material adverse impact on AbbVie's results of operations and cash flows. These events could include loss of patent protection for Humira (as described further in "*The expiration or loss of patent protection and licenses may adversely affect AbbVie's future revenues and operating earnings*" above), the commercialization of biosimilars of Humira, the discovery of previously unknown side effects or impaired efficacy, increased competition from the introduction of new, more effective or less expensive treatments and discontinuation or removal from the market of Humira for any reason.

AbbVie's research and development efforts may not succeed in developing and marketing commercially successful products and technologies, which may cause its revenues and profitability to decline.

To remain competitive, AbbVie must continue to launch new products and new indications and/or brand extensions for existing products, and such launches must generate revenue sufficient both to cover its substantial research and development costs and to replace revenues of profitable products that are lost to or displaced by competing products or therapies. Failure to do so would have a material adverse effect on AbbVie's revenue and profitability. Accordingly, AbbVie commits substantial effort, funds, and other resources to research and development and must make ongoing substantial expenditures without any assurance that its efforts will be commercially successful. A high rate of failure in the biopharmaceutical industry is inherent in the research and development of new products, and failure can occur at any point in the research and development process, including after significant funds have been invested. Products that appear promising in development may fail to reach the market for numerous reasons, including failure to demonstrate effectiveness, safety concerns, superior safety or efficacy of competing therapies, failure to achieve positive clinical or pre-clinical outcomes beyond the current standards of care,

inability to obtain necessary regulatory approvals or delays in the approval of new products and new indications, limited scope of approved uses, excessive costs to manufacture, the failure to obtain or maintain intellectual property rights, or infringement of the intellectual property rights of others.

Decisions about research studies made early in the development process of a pharmaceutical product candidate can affect the marketing strategy once such candidate receives approval. More detailed studies may demonstrate additional benefits that can help in the marketing, but they also consume time and resources and may delay submitting the pharmaceutical product candidate for approval. AbbVie cannot guarantee that a proper balance of speed and testing will be made with respect to each pharmaceutical product candidate or that decisions in this area would not adversely affect AbbVie's future results of operations.

Even if AbbVie successfully develops and markets new products or enhancements to its existing products, they may be quickly rendered obsolete by changing clinical preferences, changing industry standards, or competitors' innovations. AbbVie's innovations may not be accepted quickly in the marketplace because of existing clinical practices or uncertainty over third-party reimbursement. AbbVie cannot state with certainty when or whether any of its products under development will be launched, whether it will be able to develop, license, or otherwise acquire compounds or products, or whether any products will be commercially successful. Failure to launch successful new products or new indications for existing products may cause AbbVie's products to become obsolete, causing AbbVie's revenues and operating results to suffer.

A portion of AbbVie's near-term pharmaceutical pipeline relies on collaborations with third parties, which may adversely affect the development and sale of its products.

AbbVie depends on alliances and joint ventures with pharmaceutical and biotechnology companies for a portion of the products in its near-term pharmaceutical pipeline. Failures by these parties to meet their contractual, regulatory, or other obligations to AbbVie, or any disruption in the relationships between AbbVie and these third parties, could have an adverse effect on AbbVie's pharmaceutical pipeline and business. In addition, AbbVie's collaborative relationships for research and development extend for many years and may give rise to disputes regarding the relative rights, obligations and revenues of AbbVie and its collaboration partners, including the ownership of intellectual property and associated rights and obligations. This could result in the loss of intellectual property rights or protection, delay the development and sale of potential pharmaceutical products and lead to lengthy and expensive litigation, administrative proceedings or arbitration.

Biologics carry unique risks and uncertainties, which could have a negative impact on future results of operations.

The successful discovery, development, manufacturing and sale of biologics is a long, expensive and uncertain process. There are unique risks and uncertainties with biologics. For example, access to and supply of necessary biological materials, such as cell lines, may be limited and governmental regulations restrict access to and regulate the transport and use of such materials. In addition, the development, manufacturing and sale of biologics is subject to regulations that are often more complex and extensive than the regulations applicable to other pharmaceutical products. Manufacturing biologics, especially in large quantities, is often complex and may require the use of innovative technologies. Such manufacturing also requires facilities specifically designed and validated for this purpose and sophisticated quality assurance and quality control procedures. Biologics are also frequently costly to manufacture because production inputs are derived from living animal or plant material, and some biologics cannot be made synthetically. Failure to successfully discover, develop, manufacture and sell biologics—including Humira—could adversely impact AbbVie's business and results of operations.

AbbVie's biologic products are subject to competition from biosimilars.

The Biologics Price Competition and Innovation Act creates a framework for the approval of biosimilars in the United States and could allow competitors to reference data from biologic products already approved. In Europe, the European Commission has granted marketing authorizations for several biosimilars pursuant to a set of general and product class-specific guidelines for biosimilar approvals issued over the past few years. In addition, companies are developing biosimilars in other countries that could and do compete with AbbVie's biologic products, including Humira. As competitors obtain marketing approval for biosimilars referencing AbbVie's biologic products, AbbVie's products may become subject to competition from such biosimilars, with the attendant competitive pressure and consequences. Expiration or successful challenge of AbbVie's applicable patent rights could also trigger competition from other products, assuming any relevant exclusivity period has expired. As a result, AbbVie could face more litigation and administrative proceedings with respect to the validity and/or scope of patents relating to its biologic products.

New products and technological advances by AbbVie's competitors may negatively affect AbbVie's results of operations.

AbbVie competes with other research-based pharmaceutical and biotechnology companies that discover, manufacture, market and sell proprietary pharmaceutical products and biologics. For example, Humira competes with anti-TNF products

and other competitive products intended to treat a number of disease states and Mavyret/Maviret competes with other available hepatitis C treatment options. In addition, in the past few years, a number of other companies have started to develop, have successfully developed and/or are currently marketing products that are being positioned as competitors to Botox. All of these competitors may introduce new products or develop technological advances that compete with AbbVie's products in therapeutic areas such as immunology, hematologic oncology, aesthetics, neuroscience, eye care and women's health. AbbVie cannot predict with certainty the timing or impact of the introduction by competitors of new products or technological advances. Such competing products may be safer, more effective, more effectively marketed or sold, or have lower prices or superior performance features than AbbVie's products, and this could negatively impact AbbVie's business and results of operations.

The manufacture of many of AbbVie's products is a highly exacting and complex process, and if AbbVie or one of its suppliers encounters problems manufacturing AbbVie's products, AbbVie's business could suffer.

The manufacture of many of AbbVie's products is a highly exacting and complex process, due in part to strict regulatory requirements. Problems may arise during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials, delays related to the construction of new facilities or the expansion of existing facilities, including those intended to support future demand for AbbVie's products, changes in manufacturing production sites and limits to manufacturing capacity due to regulatory requirements, changes in the types of products produced, physical limitations that could inhibit continuous supply, man-made or natural disasters and environmental factors. If problems arise during the production of a batch of product, that batch of product may have to be discarded and AbbVie may experience product shortages or incur added expenses. This could, among other things, lead to increased costs, lost revenue, damage to customer relations, time and expense spent investigating the cause and, depending on the cause, similar losses with respect to other batches or products. If problems are not discovered before the product is released to the market, recall and product liability costs may also be incurred.

AbbVie uses a number of products in its pharmaceutical and biologic manufacturing processes that are sourced from single suppliers, and an interruption in the supply of those products could adversely affect AbbVie's business and results of operations.

AbbVie uses a number of products in its pharmaceutical and biologic manufacturing processes that are sourced from single suppliers. The failure of these single-source suppliers to fulfill their contractual obligations in a timely manner or as a result of regulatory noncompliance or physical disruption at a manufacturing site may impair AbbVie's ability to deliver its products to customers on a timely and competitive basis, which could adversely affect AbbVie's business and results of operations. Finding an alternative supplier could take a significant amount of time and involve significant expense due to the nature of the products and the need to obtain regulatory approvals. AbbVie cannot guarantee that it will be able to reach agreement with alternative providers or that regulatory authorities would approve AbbVie's use of such alternatives. AbbVie does, however, carry business interruption insurance, which provides a degree of protection in the case of a failure by a single-source supplier.

Certain aspects of AbbVie's operations are highly dependent upon third party service providers.

AbbVie relies on suppliers, vendors and other third party service providers to research, develop, manufacture, commercialize, promote and sell its products. Reliance on third party manufacturers reduces AbbVie's oversight and control of the manufacturing process. Some of these third party providers are subject to legal and regulatory requirements, privacy and security risks and market risks of their own. The failure of a critical third party service provider to meet its obligations could have a material adverse impact on AbbVie's operations and results. If any third party service providers have violated or are alleged to have violated any laws or regulations during the performance of their obligations to AbbVie, it is possible that AbbVie could suffer financial and reputational harm or other negative outcomes, including possible legal consequences.

Significant safety or efficacy issues could arise for AbbVie's products, which could have a material adverse effect on AbbVie's revenues and financial condition.

Pharmaceutical products receive regulatory approval based on data obtained in controlled clinical trials of limited duration. Following regulatory approval, these products will be used over longer periods of time in many patients. Investigators may also conduct additional, and perhaps more extensive, studies. If new safety or efficacy issues are reported or if new scientific information becomes available (including results of post-marketing Phase 4 trials), or if governments change standards regarding safety, efficacy or labeling, AbbVie may be required to amend the conditions of use for a product. For example, AbbVie may voluntarily provide or be required to provide updated information on a product's label or narrow its approved indication, either of which could reduce the product's market acceptance. If safety or efficacy issues with an AbbVie product arise, sales of the product could be halted by AbbVie or by regulatory authorities and regulatory action could be

taken by such regulatory authorities. Safety or efficacy issues affecting suppliers' or competitors' products also may reduce the market acceptance of AbbVie's products.

New data about AbbVie's products, or products similar to its products, could negatively impact demand for AbbVie's products due to real or perceived safety issues or uncertainty regarding efficacy and, in some cases, could result in product withdrawal. Furthermore, new data and information, including information about product misuse, may lead government agencies, professional societies, practice management groups or organizations involved with various diseases to publish guidelines or recommendations related to the use of AbbVie's products or the use of related therapies or place restrictions on sales. Such guidelines or recommendations may lead to lower sales of AbbVie's products.

AbbVie is subject to product liability claims and other lawsuits that may adversely affect its business and results of operations.

In the ordinary course of business, AbbVie is the subject of product liability claims and lawsuits alleging that AbbVie's products or the products of other companies that it promotes have resulted or could result in an unsafe condition for or injury to patients. For example, lawsuits are pending against Allergan, AbbVie's recently acquired subsidiary, and certain of its current and former officers alleging they made misrepresentations and omissions regarding Allergan's textured breast implants. Product liability claims and lawsuits and safety alerts or product recalls, regardless of their ultimate outcome, may have a material adverse effect on AbbVie's business, results of operations and reputation and on its ability to attract and retain customers. Consequences may also include additional costs, a decrease in market share for the product in question, lower income and exposure to other claims. Product liability losses are self-insured.

AbbVie is also the subject of other claims, legal proceedings and investigations in the ordinary course of business, which relate to the intellectual property, commercial, securities and other matters. Adverse outcomes in such claims, legal proceedings and investigations may also adversely affect AbbVie's business and results of operations. Additionally, Allergan has been named as a defendant in approximately 3,130 matters relating to the promotion and sale of prescription opioid pain relievers and additional suits may be filed. See Note 15, "Legal Proceedings and Contingencies" to the Consolidated Financial Statements included under Item 8, "Financial Statements and Supplementary Data." AbbVie cannot predict the outcome of these proceedings.

AbbVie is subject to cost-containment efforts and pricing pressures that could cause a reduction in future revenues and operating earnings, and changes in the terms of rebate and chargeback programs, which are common in the pharmaceuticals industry, could have a material adverse effect on AbbVie's operations.

Cost-containment efforts by governments and private organizations are described in greater detail in Item 1, "Business—Regulation—Commercialization, Distribution and Manufacturing." To the extent these cost containment efforts are not offset by greater demand, increased patient access to health care, or other factors, AbbVie's future revenues and operating earnings will be reduced. In the United States, the European Union and other countries, AbbVie's business has experienced downward pressure on product pricing, and this pressure could increase in the future.

AbbVie is subject to increasing public and legislative pressure with respect to pharmaceutical pricing. In the United States, practices of managed care groups, and institutional and governmental purchasers, and United States federal laws and regulations related to Medicare and Medicaid, including the Medicare Prescription Drug Improvement and Modernization Act of 2003 and the Patient Protection and Affordable Care Act, contribute to pricing pressures. The potential for continuing changes to the health care system in the United States and the increased purchasing power of entities that negotiate on behalf of Medicare, Medicaid and private sector beneficiaries could result in additional pricing pressures.

In numerous major markets worldwide, the government plays a significant role in funding health care services and determining the pricing and reimbursement of pharmaceutical products. Consequently, in those markets, AbbVie is subject to government decision-making and budgetary actions with respect to its products. In particular, many European countries have ongoing government-mandated price reductions for many pharmaceutical products, and AbbVie anticipates continuing pricing pressures in Europe. Differences between countries in pricing regulations could lead to third-party cross-border trading in AbbVie's products that results in a reduction in future revenues and operating earnings.

Rebates related to government programs, such as fee-for-service Medicaid or Medicaid managed care programs, arise from laws and regulations. AbbVie cannot predict if additional government initiatives to contain health care costs or other factors could lead to new or modified regulatory requirements that include higher or incremental rebates or discounts. Other rebate and discount programs arise from contractual agreements with private payers. Various factors, including market factors and the ability of private payers to control patient access to products, may provide payers the leverage to negotiate higher or additional rebates or discounts that could have a material adverse effect on AbbVie's operations.

AbbVie is subject to numerous governmental regulations, and it can be costly to comply with these regulations and to develop compliant products and processes.

AbbVie's products are subject to rigorous regulation by numerous international, supranational, federal and state authorities, as described in Item 1, "Business—Regulation—Discovery and Clinical Development," "Business—Regulation—Commercialization, Distribution and Manufacturing," and "Business—Regulation—Medical Devices." The process of obtaining regulatory approvals to market a pharmaceutical product can be costly and time consuming, and approvals might not be granted for future products, or additional indications or uses of existing products, on a timely basis, if at all. Delays in the receipt of, or failure to obtain approvals for, future products, or new indications and uses, could result in delayed realization of product revenues, reduction in revenues and substantial additional costs.

In addition, AbbVie cannot guarantee that it will remain compliant with applicable regulatory requirements once approval has been obtained for a product. These requirements include, among other things, regulations regarding manufacturing practices, product labeling and advertising and post-marketing reporting, including adverse event reports and field alerts due to manufacturing quality concerns. AbbVie must incur expense and spend time and effort to ensure compliance with these complex regulations.

Possible regulatory actions could result in substantial modifications to AbbVie's business practices and operations; refunds, recalls or seizures of AbbVie's products; a total or partial shutdown of production in one or more of AbbVie's or its suppliers' facilities while AbbVie or its supplier remedies the alleged violation; the inability to obtain future approvals; and withdrawals or suspensions of current products from the market. Any of these events could disrupt AbbVie's business and have a material adverse effect on its business and results of operations.

Laws and regulations affecting government benefit programs could impose new obligations on AbbVie, require it to change its business practices, and restrict its operations in the future.

The health care industry is subject to various federal, state and international laws and regulations pertaining to government benefit programs reimbursement, rebates, price reporting and regulation and health care fraud and abuse. In the United States, these laws include anti-kickback and false claims laws, the Medicaid Rebate Statute, the Veterans Health Care Act, the U.S. Physician Payments Sunshine Act, the TRICARE program, the government pricing rules applicable to the Medicaid, Medicare Part B, 340B Drug Pricing Program and individual state laws relating to pricing and sales and marketing practices. Violations of these laws may be punishable by criminal and/or civil sanctions, including, in some instances, substantial fines, imprisonment and exclusion from participation in federal and state health care programs, including Medicare, Medicaid and Veterans Administration health programs. These laws and regulations are broad in scope and they are subject to change and evolving interpretations, which could require AbbVie to incur substantial costs associated with compliance or to alter one or more of its sales or marketing practices. In addition, violations of these laws, or allegations of such violations, could disrupt AbbVie's business and result in a material adverse effect on its business and results of operations.

The international nature of AbbVie's business subjects it to additional business risks that may cause its revenue and profitability to decline.

AbbVie's business is subject to risks associated with doing business internationally, including in emerging markets. Net revenues outside of the United States made up approximately 23% of AbbVie's total net revenues in 2021. The risks associated with AbbVie's operations outside the United States include:

- fluctuations in currency exchange rates;
- changes in medical reimbursement policies and programs;
- multiple legal and regulatory requirements that are subject to change and that could restrict AbbVie's ability to manufacture, market and sell its products;
- differing local product preferences and product requirements;
- trade protection measures and import or export licensing requirements;
- international trade disruptions or disputes;
- difficulty in establishing, staffing and managing operations;
- differing labor regulations;
- potentially negative consequences from changes in or interpretations of tax laws;

- political and economic instability, including as a result of the United Kingdom's exit from the European Union and the COVID-19 pandemic;
- sovereign debt issues;
- price and currency exchange controls, limitations on participation in local enterprises, expropriation, nationalization and other governmental action and regulation;
- inflation, recession and fluctuations in interest rates;
- restrictions on transfers of funds;
- potential deterioration in the economic position and credit quality of certain non-U.S. countries; and
- potential penalties or other adverse consequences for violations of anti-corruption, anti-bribery and other similar laws and regulations, including the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act.

Events contemplated by these risks may, individually or in the aggregate, have a material adverse effect on AbbVie's revenues and profitability.

If AbbVie does not effectively and profitably commercialize its products, AbbVie's revenues and financial condition could be adversely affected.

AbbVie must effectively and profitably commercialize its principal products by creating and meeting continued market demand; achieving market acceptance and generating product sales; ensuring that the active pharmaceutical ingredient(s) for a product and the finished product are manufactured in sufficient quantities and in compliance with requirements of the FDA and similar foreign regulatory agencies and with acceptable quality and pricing to meet commercial demand; and ensuring that the entire supply chain efficiently and consistently delivers AbbVie's products to its customers. The commercialization of AbbVie products may not be successful due to, among other things, unexpected challenges from competitors, new safety issues or concerns being reported that may impact or narrow approved indications, the relative price of AbbVie's product as compared to alternative treatment options and changes to a product's label that further restrict its marketing. If the commercialization of AbbVie's principal products is unsuccessful, AbbVie's ability to generate revenue from product sales will be adversely affected.

AbbVie may acquire other businesses, license rights to technologies or products, form alliances, or dispose of assets, which could cause it to incur significant expenses and could negatively affect profitability.

AbbVie may pursue acquisitions, technology licensing arrangements, joint ventures and strategic alliances, or dispose of some of its assets, as part of its business strategy. AbbVie may not complete these transactions in a timely manner, on a cost-effective basis, or at all, and may not realize the expected benefits. If AbbVie is successful in making an acquisition, the products and technologies that are acquired may not be successful or may require significantly greater resources and investments than originally anticipated. AbbVie may not be able to integrate acquisitions successfully into its existing business and could incur or assume significant debt and unknown or contingent liabilities. AbbVie could also experience negative effects on its reported results of operations from acquisition or disposition-related charges, amortization of expenses related to intangibles and charges for impairment of long-term assets. These effects could cause a deterioration of AbbVie's credit rating and result in increased borrowing costs and interest expense.

Additionally, changes in AbbVie's structure, operations, revenues, costs, or efficiency resulting from major transactions such as acquisitions, divestitures, mergers, alliances, joint ventures, restructurings or other strategic initiatives, may result in greater than expected costs, may take longer than expected to complete or encounter other difficulties, including the need for regulatory approval where appropriate.

AbbVie is dependent on wholesale distributors for distribution of its products in the United States and, accordingly, its results of operations could be adversely affected if they encounter financial difficulties.

In 2021, three wholesale distributors (McKesson Corporation, Cardinal Health, Inc. and AmerisourceBergen Corporation) accounted for substantially all of AbbVie's pharmaceutical product sales in the United States. If one of its significant wholesale distributors encounters financial or other difficulties, such distributor may decrease the amount of business that it does with AbbVie, and AbbVie may be unable to collect all the amounts that the distributor owes it on a timely basis or at all, which could negatively impact AbbVie's business and results of operations.

AbbVie has debt obligations that could adversely affect its business and its ability to meet its obligations.

The amount of debt that AbbVie has incurred and intends to incur could have important consequences to AbbVie and its investors. These consequences include, among other things, requiring a portion of AbbVie's cash flow from operations to make interest payments on this debt and reducing the cash flow available to fund capital expenditures and other corporate purposes and to grow AbbVie's business. In particular, AbbVie incurred significant debt in connection with its acquisition of Allergan. AbbVie's substantially increased indebtedness and higher debt to equity ratio as a result of the acquisition may exacerbate these risks and have the effect of, among other things, reducing its flexibility to respond to changing business and economic conditions and/or lowering its credit ratings. To the extent AbbVie incurs additional indebtedness or interest rates increase, these risks could increase further. In addition, AbbVie's cash flow from operations may not be sufficient to repay all of the outstanding debt as it becomes due, and AbbVie may not be able to borrow money, sell assets, or otherwise raise funds on acceptable terms, or at all, to refinance its debt.

AbbVie may need additional financing in the future to meet its capital needs or to make opportunistic acquisitions, and such financing may not be available on favorable terms, if at all.

AbbVie may need to seek additional financing for its general corporate purposes. For example, it may need to increase its investment in research and development activities or need funds to make acquisitions. AbbVie may be unable to obtain any desired additional financing on terms favorable to it, if at all. If AbbVie loses its investment grade credit rating or adequate funds are not available on acceptable terms, AbbVie may be unable to fund its expansion, successfully develop or enhance products, or respond to competitive pressures, any of which could negatively affect AbbVie's business. If AbbVie raises additional funds by issuing debt or entering into credit facilities, it may be subject to limitations on its operations due to restrictive covenants. Failure to comply with these covenants could adversely affect AbbVie's business.

AbbVie depends on information technology and a failure of those systems could have a material adverse effect on AbbVie's business.

AbbVie relies on sophisticated software applications and complex information technology systems to operate its business. These systems are potentially vulnerable to malicious intrusion, random attack, loss of data privacy, disruption, degradation or breakdown. Data privacy or security breaches by employees or others may in the future result in the failure of critical business operations. Such breaches may cause sensitive data, including intellectual property, trade secrets or personal information belonging to AbbVie, its patients, customers or business partners, to be exposed to unauthorized persons or to the public. To date, AbbVie's business or operations have not been materially impacted by such incidents. Although AbbVie has invested in the protection of its data and information technology and also monitors its systems on an ongoing basis, there can be no assurance that these efforts will prevent material breakdowns or breaches in AbbVie's information technology systems that could adversely affect AbbVie's business. Such adverse consequences could include loss of revenue, or the loss of critical or sensitive information from AbbVie's or third-party providers' databases or IT systems and could also result in legal, financial, reputational or business harm to AbbVie and potentially substantial remediation costs.

In connection with the acquisition of Allergan, AbbVie's balances of intangible assets, including developed product rights and goodwill acquired, have increased significantly. Such balances are subject to impairment testing and may result in impairment charges, which will adversely affect AbbVie's results of operations and financial condition.

A significant amount of AbbVie's total assets is related to acquired intangibles and goodwill. As of December 31, 2021, the carrying value of AbbVie's developed product rights and other intangible assets was \$76.0 billion and the carrying value of AbbVie's goodwill was \$32.4 billion.

AbbVie's developed product rights are stated at cost, less accumulated amortization. AbbVie determines original fair value and amortization periods for developed product rights based on its assessment of various factors impacting estimated useful lives and cash flows of the acquired products. Significant adverse changes to any of these factors require AbbVie to perform an impairment test on the affected asset and, if evidence of impairment exists, require AbbVie to take an impairment charge with respect to the asset. For assets that are not impaired, AbbVie may adjust the remaining useful lives. Such a charge could have a material adverse effect on AbbVie's results of operations and financial condition.

AbbVie's other significant intangible assets include in-process research and development (IPR&D) intangible projects, acquired in recent business combinations, which are indefinite-lived intangible assets.

Goodwill and AbbVie's IPR&D intangible assets are tested for impairment annually, or when events occur or circumstances change that could potentially reduce the fair value of the reporting unit or intangible asset. Impairment testing compares the fair value of the reporting unit or intangible asset to its carrying amount. A goodwill or IPR&D impairment, if any, would be recorded in operating income and could have a material adverse effect on AbbVie's results of operations and financial condition.

Failure to attract, develop and retain highly qualified personnel could affect AbbVie's ability to successfully develop and commercialize products.

AbbVie's success is largely dependent on its continued ability to attract, develop and retain diverse, highly qualified scientific, technical and management personnel, as well as personnel with expertise in clinical research and development (R&D), governmental regulation and commercialization. Competition for qualified personnel in the biopharmaceutical field is intense. AbbVie cannot be sure that it will be able to attract and retain quality personnel or that the costs of doing so will not materially increase.

Other factors can have a material adverse effect on AbbVie's profitability and financial condition.

Many other factors can affect AbbVie's results of operations, cash flows and financial condition, including:

- changes in or interpretations of laws and regulations, including changes in accounting standards, taxation requirements, product marketing application standards, data privacy laws, particularly in the European Union and the United States, and environmental laws;
- differences between the fair value measurement of assets and liabilities and their actual value, particularly for pension and post-employment benefits, stock-based compensation, intangibles and goodwill; and for contingent liabilities such as litigation and contingent consideration, the absence of a recorded amount, or an amount recorded at the minimum, compared to the actual amount;
- changes in the rate of inflation (including the cost of raw materials, commodities and supplies), interest rates, market value of AbbVie's equity investments and the performance of investments held by it or its employee benefit trusts;
- changes in the creditworthiness of counterparties that transact business with or provide services to AbbVie or its employee benefit trusts;
- environmental liabilities in connection with AbbVie's manufacturing processes and distribution logistics, including the handling of hazardous materials;
- changes in the ability of third parties that provide information technology, accounting, human resources, payroll and other outsourced services to AbbVie to meet their contractual obligations to AbbVie;
- business interruptions stemming from natural disasters, such as climate change, earthquakes, hurricanes, flooding, fires, or efforts taken by third parties to prevent or mitigate such disasters; and
- changes in business, economic and political conditions, including: war, political instability, terrorist attacks, the threat of future terrorist activity and related military action; natural disasters; the cost and availability of insurance due to any of the foregoing events; labor disputes, strikes, slow-downs, or other forms of labor or union activity; and pressure from third-party interest groups.

Risks Related to AbbVie's Common Stock

AbbVie cannot guarantee the timing, amount, or payment of dividends on its common stock.

Although AbbVie expects to pay regular cash dividends, the timing, declaration, amount and payment of future dividends to stockholders will fall within the discretion of AbbVie's board of directors. The board's decisions regarding the payment of dividends will depend on many factors, such as AbbVie's financial condition, earnings, capital requirements, debt service obligations, industry practice, legal requirements, regulatory constraints and other factors that the board deems relevant. For more information, see Item 5, "Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities." AbbVie's ability to pay dividends will depend on its ongoing ability to generate cash from operations and access capital markets. AbbVie cannot guarantee that it will continue to pay a dividend in the future.

An AbbVie stockholder's percentage of ownership in AbbVie may be diluted in the future.

In the future, a stockholder's percentage ownership in AbbVie may be diluted because of equity issuances for capital market transactions, equity awards that AbbVie will be granting to AbbVie's directors, officers and employees, acquisitions or other purposes. AbbVie's employees have options to purchase shares of its common stock as a result of conversion of their Abbott stock options (in whole or in part) to AbbVie stock options. AbbVie anticipates its compensation committee will grant additional stock options or other stock-based awards to its employees. Such awards will have a dilutive effect on AbbVie's earnings per share, which could adversely affect the market price of AbbVie's common stock. From time to time, AbbVie will issue additional options or other stock-based awards to its employees under AbbVie's employee benefits plans.

In addition, AbbVie's amended and restated certificate of incorporation authorizes AbbVie to issue, without the approval of AbbVie's stockholders, one or more classes or series of preferred stock having such designation, powers, preferences and relative, participating, optional and other special rights, including preferences over AbbVie's common stock respecting dividends and distributions, as AbbVie's board of directors generally may determine. The terms of one or more classes or series of preferred stock could dilute the voting power or reduce the value of AbbVie's common stock. For example, AbbVie could grant the holders of preferred stock the right to elect some number of AbbVie's directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences AbbVie could assign to holders of preferred stock could affect the residual value of the common stock.

Certain provisions in AbbVie's amended and restated certificate of incorporation and amended and restated by-laws, and of Delaware law, may prevent or delay an acquisition of AbbVie, which could decrease the trading price of AbbVie's common stock.

AbbVie's amended and restated certificate of incorporation and amended and restated by-laws contain, and Delaware law contains, provisions that are intended to deter coercive takeover practices and inadequate takeover bids by encouraging prospective acquirors to negotiate with AbbVie's board of directors rather than to attempt a hostile takeover. These provisions include, among others:

- the inability of AbbVie's stockholders to call a special meeting;
- the division of AbbVie's board of directors into three classes of directors, with each class serving a staggered three-year term;
- a provision that stockholders may only remove directors for cause;
- the ability of AbbVie's directors, and not stockholders, to fill vacancies on AbbVie's board of directors; and
- the requirement that the affirmative vote of stockholders holding at least 80% of AbbVie's voting stock is required to amend certain provisions in AbbVie's amended and restated certificate of incorporation and AbbVie's amended and restated by-laws relating to the number, term and election of AbbVie's directors, the filling of board vacancies, the calling of special meetings of stockholders and director and officer indemnification provisions.

In addition, Section 203 of the Delaware General Corporation Law provides that, subject to limited exceptions, persons that acquire, or are affiliated with a person that acquires, more than 15% of the outstanding voting stock of a Delaware corporation shall not engage in any business combination with that corporation, including by merger, consolidation or acquisitions of additional shares, for a three-year period following the date on which that person or its affiliates becomes the holder of more than 15% of the corporation's outstanding voting stock.

AbbVie believes these provisions protect its stockholders from coercive or otherwise unfair takeover tactics by requiring potential acquirors to negotiate with AbbVie's board of directors and by providing AbbVie's board of directors with more time to assess any acquisition proposal. These provisions are not intended to make the company immune from takeovers. However, these provisions apply even if the offer may be considered beneficial by some stockholders and could delay or prevent an acquisition that AbbVie's board of directors determines is not in the best interests of AbbVie and AbbVie's stockholders. These provisions may also prevent or discourage attempts to remove and replace incumbent directors.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains certain forward looking statements regarding business strategies, market potential, future financial performance and other matters. The words "believe," "expect," "anticipate," "project" and similar expressions, among others, generally identify "forward looking statements," which speak only as of the date the statements were made. The matters discussed in these forward looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those projected, anticipated or implied in the forward looking statements. In particular, information included under Item 1, "Business," Item 1A, "Risk Factors," and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" contain forward looking statements. Where, in any forward looking statement, an expectation or belief as to future results or events is expressed, such expectation or belief is based on the current plans and expectations of AbbVie management and expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. Factors that could cause actual results or events to differ materially from those anticipated include the matters described under Item 1A, "Risk Factors" and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." AbbVie does not undertake any obligation to update the forward-looking statements included in this Annual Report on Form 10-K to reflect events or circumstances after the date hereof, unless AbbVie is required by applicable securities law to do so.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

AbbVie's corporate offices are located at 1 North Waukegan Road, North Chicago, Illinois 60064-6400. As of December 31, 2021, AbbVie owns or leases approximately 645 facilities worldwide, containing an aggregate of approximately 20 million square feet of floor space dedicated to production, distribution, and administration. AbbVie's significant manufacturing facilities are in the following locations:

United States	Outside the United States
Abbott Park, Illinois*	Campoverde di Aprilia, Italy
Barceloneta, Puerto Rico	Clonshaugh, Ireland
Branchburg, New Jersey*	La Aurora, Costa Rica
Campbell, California	Ludwigshafen, Germany
Cincinnati, Ohio	Pringy, France
Dublin, California*	Singapore*
Irvine, California	Sligo, Ireland
North Chicago, Illinois	Westport, Ireland*
Waco, Texas	
Worcester, Massachusetts*	
Wyandotte, Michigan*	

* Leased property.

AbbVie believes its facilities are suitable and provide adequate production capacity for its current and projected operations. There are no material encumbrances on AbbVie's owned properties.

In the United States, including Puerto Rico, AbbVie has two central distribution centers. AbbVie also has research and development facilities in the United States located at: Abbott Park, Illinois; Branchburg, New Jersey; Cambridge, Massachusetts; Irvine, California; Madison, New Jersey; North Chicago, Illinois; Pleasanton, California; Santa Cruz, California; South San Francisco, California; and Worcester, Massachusetts. Outside the United States, AbbVie's principal research and development facilities are located in Ludwigshafen, Germany.

ITEM 3. LEGAL PROCEEDINGS

Information pertaining to legal proceedings is provided in Note 15, "Legal Proceedings and Contingencies" to the Consolidated Financial Statements included under Item 8, "Financial Statements and Supplementary Data," and is incorporated by reference herein.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

The following table lists AbbVie's executive officers:

Name	Age	Position
Richard A. Gonzalez	68	Chairman of the Board and Chief Executive Officer
Robert A. Michael	51	Vice Chairman, Finance and Commercial Operations and Chief Financial Officer
Laura J. Schumacher	58	Vice Chairman, External Affairs and Chief Legal Officer
Michael E. Severino, M.D.	56	Vice Chairman and President
Henry O. Gosebruch	49	Executive Vice President, Chief Strategy Officer
Timothy J. Richmond	55	Executive Vice President, Chief Human Resources Officer
Azita Saleki-Gerhardt, Ph.D.	58	Executive Vice President, Operations
Jeffrey R. Stewart	53	Executive Vice President, Chief Commercial Officer
Thomas J. Hudson, M.D.	60	Senior Vice President, Research & Development and Chief Scientific Officer
Elaine K. Sorg	55	Senior Vice President, U.S. Commercial Operations
Carrie Strom	44	Senior Vice President, AbbVie and President, Global Allergan Aesthetics
Brian L. Durkin	61	Vice President, Controller

Mr. Gonzalez is the Chairman and Chief Executive Officer of AbbVie. He served as Abbott's Executive Vice President of the Pharmaceutical Products Group from July 2010 to December 2012, and was responsible for Abbott's worldwide pharmaceutical business, including commercial operations, research and development, and manufacturing. He also served as President, Abbott Ventures Inc., Abbott's medical technology investment arm, from 2009 to 2011. Mr. Gonzalez joined Abbott in 1977 and held various management positions. He was first appointed as an AbbVie corporate officer in December 2012.

Mr. Michael is AbbVie's Vice Chairman, Finance and Commercial Operations and Chief Financial Officer. Mr. Michael previously served as Executive Vice President, Chief Financial Officer from 2019 to 2021, as Senior Vice President, Chief Financial Officer from 2018 to 2019, and as Vice President, Controller from 2017 to 2018. He served as AbbVie's Vice President, Treasurer from 2015 to 2016, as Vice President, Controller, Commercial Operations from 2013 to 2015 and Vice President, Financial Planning and Analysis from 2012 to 2013. At Abbott, Mr. Michael served as Division Controller, Nutrition Supply Chain from 2010 to 2012. Mr. Michael joined Abbott in 1993 and was first appointed as an AbbVie corporate officer in December 2015.

Ms. Schumacher is AbbVie's Vice Chairman, External Affairs and Chief Legal Officer, responsible for global legal, health economics outcomes research, corporate responsibility, brand and communications and government affairs. Prior to her current appointment in 2018, she served as AbbVie's Executive Vice President, External Affairs, General Counsel and Corporate Secretary. Prior to AbbVie's separation from Abbott, Ms. Schumacher served as Executive Vice President, General Counsel from 2007 to 2012. Both at Abbott and AbbVie, Ms. Schumacher also led Business Development and Ventures and Early Stage Collaborations. Ms. Schumacher was first appointed as an AbbVie corporate officer in December 2012. She serves on the board of General Dynamics Corporation and CrowdStrike Holdings, Inc.

Dr. Severino is AbbVie's Vice Chairman and President, responsible for research and development and the corporate strategy office. He served as Executive Vice President, Research and Development and Chief Scientific Officer from 2014 to 2018. Dr. Severino served at Amgen Inc. as Senior Vice President, Global Development and Corporate Chief Medical Officer from 2012 to 2014, as Vice President, Global Development from 2010 to 2012 and as Vice President, Therapeutic Area Head, General Medicine and Inflammation Global Clinical Development from 2007 to 2012. He joined AbbVie in 2014 and was first appointed as an AbbVie corporate officer in June 2014. Dr. Severino also serves on the board of Avantor, Inc.

Mr. Gosebruch is AbbVie's Executive Vice President, Chief Strategy Officer. He worked for more than 20 years in the Mergers & Acquisitions Group at J.P. Morgan Securities LLC, serving as Managing Director since 2007 and as Co-Head of M&A North America during 2015. Mr. Gosebruch joined AbbVie in 2015 and was first appointed as an AbbVie corporate officer in December 2015. He serves on the board of Aptinix Inc.

Mr. Richmond is AbbVie's Executive Vice President, Chief Human Resources Officer. He served as Senior Vice President, Human Resources from 2013 to 2018. Mr. Richmond served as Abbott's Divisional Vice President of Compensation & Benefits from 2008 to 2012, as Group Vice President of Talent and Rewards from 2007 to 2008, and as Divisional Vice President of

Talent Acquisition from 2006 to 2007. Mr. Richmond joined Abbott in 2006 and was first appointed as an AbbVie corporate officer in December 2012.

Dr. Saleki-Gerhardt is AbbVie's Executive Vice President, Operations. She served as Senior Vice President, Operations from 2013 to 2018. Dr. Saleki-Gerhardt served as Abbott's Vice President, Pharmaceuticals Manufacturing and Supply from 2011 to 2012, and as Divisional Vice President, Quality Assurance, Global Pharmaceutical Operations from 2008 to 2011. Dr. Saleki-Gerhardt joined Abbott in 1993 and was first appointed as an AbbVie corporate officer in December 2012. She serves on the board of Entegris Inc.

Mr. Stewart is AbbVie's Executive Vice President, Chief Commercial Officer. He previously served as Senior Vice President, U.S. Commercial Operations from 2018 to 2020 and as AbbVie's President, Commercial Operations from 2013 to 2018. Prior to AbbVie's separation from Abbott, he served as Vice President, Abbott Proprietary Pharmaceutical Division, United States. Mr. Stewart joined Abbott in 1992 and was first appointed as an AbbVie corporate officer in December 2018.

Dr. Hudson is AbbVie's Senior Vice President, Research & Development and Chief Scientific Officer. He previously served as Vice President, Head of Oncology Discovery and Early Development from 2016 to 2019. Prior to joining AbbVie, Dr. Hudson served at the Ontario Institute for Cancer Research as President and Scientific Director. He also previously served as Founder and Director of the McGill University and Genome Quebec Innovation Centre and Assistant Director of the Whitehead/MIT Center for Genome Research. Dr. Hudson was first appointed as an AbbVie corporate officer in July 2019.

Ms. Sorg is AbbVie's Senior Vice President, U.S. Commercial Operations. She previously served as AbbVie's President, U.S. Immunology and Patient Services from 2019 to 2020 and as Vice President, Immunology and Oncology from 2016 to 2018. She served as Vice President, Immunology prior to AbbVie's separation from Abbott and until 2016 at AbbVie. Ms. Sorg joined Abbott in 2012 and was first appointed as an AbbVie corporate officer in November 2020. Prior to joining Abbott, Ms. Sorg served in management roles at Eli Lilly and Company for 23 years.

Ms. Strom is AbbVie's Senior Vice President, AbbVie, and President, Global Allergan Aesthetics, responsible for the worldwide operations of the aesthetics franchise. She was appointed to the position upon AbbVie's acquisition of Allergan in 2020 and was first appointed as an AbbVie corporate officer in May 2020. At Allergan, Ms. Strom previously served as Senior Vice President, U.S. Medical Aesthetics from 2018 to 2020. She joined Allergan in 2011.

Mr. Durkin is AbbVie's Vice President, Controller. Mr. Durkin previously served as Vice President, Internal Audit from 2016 to 2018. Prior to joining AbbVie, he served as Vice President of Finance and Division Controller for Abbott's Vision Care business from 2009 to 2016 and Controller Pharmaceutical Research and Development from 2005 to 2009. Mr. Durkin joined Abbott in 1986 and was first appointed as an AbbVie corporate officer in October 2018.

The executive officers of AbbVie are elected annually by the board of directors. All other officers are elected by the board or appointed by the Chairman of the Board. All officers are either elected at the first meeting of the board of directors held after the annual stockholder meeting or appointed by the Chairman of the Board after that board meeting. Each officer holds office until a successor has been duly elected or appointed and qualified or until the officer's death, resignation, or removal. There are no family relationships between any of the executive officers listed above.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Principal Market

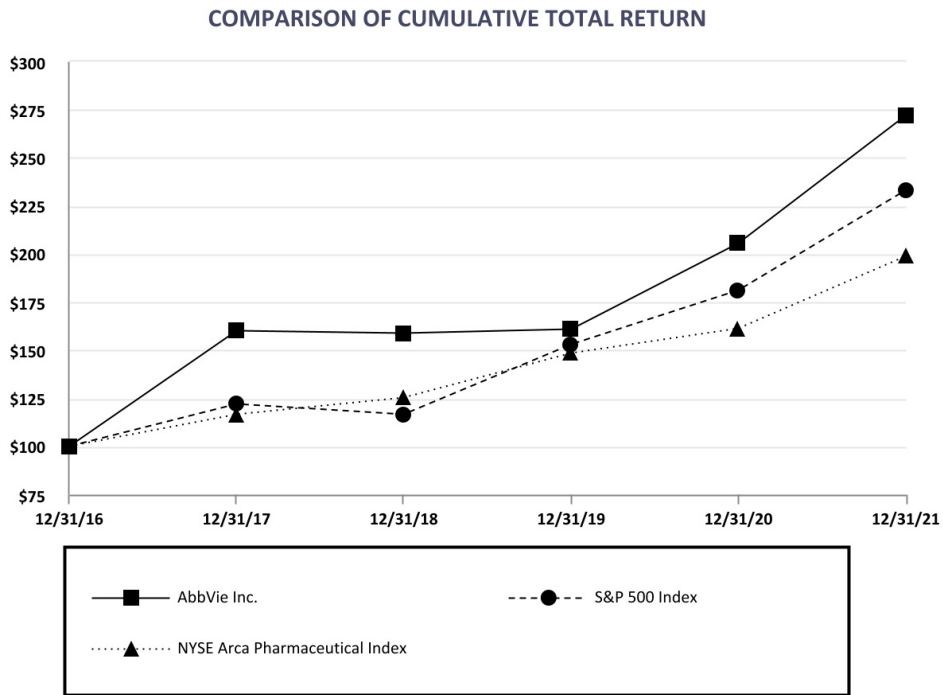
The principal market for AbbVie's common stock is the New York Stock Exchange (Symbol: ABBV). AbbVie's common stock is also listed on the Chicago Stock Exchange and traded on various regional and electronic exchanges.

Stockholders

There were 46,139 stockholders of record of AbbVie common stock as of January 31, 2022.

Performance Graph

The following graph compares the cumulative total returns of AbbVie, the S&P 500 Index and the NYSE Arca Pharmaceuticals Index for the period from December 31, 2016 through December 31, 2021. This graph assumes \$100 was invested in AbbVie common stock and each index on December 31, 2016 and also assumes the reinvestment of dividends. The stock price performance on the following graph is not necessarily indicative of future stock price performance.



This performance graph is furnished and shall not be deemed "filed" with the SEC or subject to Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any of AbbVie's filings under the Securities Act of 1933, as amended.

Dividends

On October 29, 2021, AbbVie's board of directors declared an increase in the quarterly cash dividend from \$1.30 per share to \$1.41 per share, payable on February 15, 2022 to stockholders of record as of January 14, 2022. 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. Moreover, if AbbVie determines to pay any dividend in the future, there can be no assurance that it will continue to pay such dividends or the amount of such dividends.

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
October 1, 2021 - October 31, 2021	3,808 ⁽¹⁾	\$ 108.90 ⁽¹⁾	—	\$ 2,643,316,927
November 1, 2021 - November 30, 2021	845 ⁽¹⁾	\$ 116.08 ⁽¹⁾	—	\$ 2,643,316,927
December 1, 2021 - December 31, 2021	904,176 ⁽¹⁾	\$ 136.23 ⁽¹⁾	879,703	\$ 2,523,316,993
Total	908,829 ⁽¹⁾	\$ 136.10 ⁽¹⁾	879,703	\$ 2,523,316,993

- 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 – 3,808 in October; 845 in November; and 24,473 in December.

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 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the financial condition of AbbVie Inc. (AbbVie or the company). This commentary should be read in conjunction with the Consolidated Financial Statements and accompanying notes appearing in Item 8, "Financial Statements and Supplementary Data." This section of this Form 10-K generally discusses 2021 and 2020 items and year-to-year comparisons between 2021 and 2020. Discussions of 2019 items and year-to-year comparisons between 2020 and 2019 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

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, hematologic oncology, neuroscience, aesthetics 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.

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 customers or through distributors, depending on the market served. Certain products are co-marketed or co-promoted with other companies. AbbVie has approximately 50,000 employees. AbbVie operates as a single global business segment.

2021 Financial Results

AbbVie's strategy has focused on delivering strong financial results, maximizing the benefits of the Allergan acquisition, advancing and investing in its pipeline and returning value to shareholders while ensuring a strong, sustainable growth business over the long term. The company's financial performance in 2021 included delivering worldwide net revenues of \$56.2 billion, operating earnings of \$17.9 billion, diluted earnings per share of \$6.45 and cash flows from operations of \$22.8 billion. Worldwide net revenues increased by 23% on a reported basis and 22% on a constant currency basis, reflecting growth across its immunology, hematologic oncology, neuroscience, aesthetics and eye care portfolios as well as a full period of Allergan results in 2021 compared to the prior year.

Diluted earnings per share in 2021 was \$6.45 and included the following after-tax costs: (i) \$6.4 billion related to the amortization of intangible assets; (ii) \$2.7 billion for the change in fair value of contingent consideration liabilities; (iii) \$948 million for acquired in-process research and development (IPR&D); (iv) \$500 million as a result of a collaboration agreement extension with Calico Life Sciences LLC; (v) \$307 million for milestones and other research and development (R&D) expenses; (vi) \$253 million for charges related to litigation matters; and (vii) \$215 million of acquisition and integration expenses. These costs were partially offset by \$265 million of certain tax benefits. Additionally, financial results reflected continued funding to support all stages of AbbVie's pipeline assets and continued investment in AbbVie's on-market brands.

In October 2021, AbbVie's board of directors declared a quarterly cash dividend of \$1.41 per share of common stock payable in February 2022. This reflects an increase of approximately 8.5% over the previous quarterly dividend of \$1.30 per share of common stock.

Following the closing of the Allergan acquisition, AbbVie implemented an integration plan designed to reduce costs, integrate and optimize the combined organization. The integration plan is expected to realize approximately \$2.5 billion of annual cost synergies in 2022.

To achieve these integration objectives, AbbVie expects to incur total cumulative charges of approximately \$2 billion through 2022. These costs consist 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.

Impact of the Coronavirus Disease 2019 (COVID-19)

In response to the ongoing public health crisis posed by COVID-19, AbbVie continues to focus on ensuring the safety of employees. Throughout the pandemic, AbbVie has followed health and safety guidance from state and local health authorities and implemented safety measures for those employees who are returning to the workplace.

AbbVie also continues to closely manage manufacturing and supply chain resources around the world to help ensure that patients continue to receive an uninterrupted supply of their medicines. Clinical trial sites are being monitored locally to protect the safety of study participants, staff and employees. While the impact of COVID-19 on AbbVie's operations to date has not been material, AbbVie continues to experience lower new patient starts in certain products and markets. AbbVie expects this matter could continue to negatively impact its results of operations throughout the duration of the pandemic.

The extent to which COVID-19 may impact AbbVie's financial condition and results of operations remains uncertain and is dependent on numerous evolving factors, including the measures being taken by authorities to mitigate against the spread of COVID-19, the emergence of new variants and the availability and successful administration of effective vaccines.

2022 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 continue to 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) growing revenues by 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) expanding operating margins; and (v) returning cash to shareholders via a strong and growing dividend while also reducing debt. In addition, AbbVie anticipates several regulatory submissions and data readouts from key clinical trials in the next 12 months.

AbbVie expects to achieve its strategic objectives through:

- Immunology revenue growth driven by increasing market share and indication expansion of Skyrizi and Rinvoq, as well as Humira U.S. sales growth.
- Hematologic oncology revenue growth driven by increasing market share and indication expansion of Venclexta, as well as maintaining the strong leadership position of Imbruvica.
- Aesthetics revenue growth driven by global expansion and increasing market penetration of Botox and Juvederm Collection.
- Neuroscience revenue growth driven by Vraylar, Botox Therapeutic, Ubrovelvy and recently launched Qulipta.
- Sustaining eye care leadership by maximizing AbbVie's current eye care portfolio.
- The favorable impact of pipeline products and indications recently approved or currently under regulatory review where approval is expected in 2022. These products are described in greater detail in the section labeled "Research and Development" included as part of this Item 7.

AbbVie remains committed to driving continued expansion of operating margins and expects to achieve this objective through continued realization of expense synergies from the Allergan acquisition, leverage from revenue growth, productivity initiatives in supply chain and ongoing efficiency programs to optimize manufacturing, commercial infrastructure, administrative costs and general corporate expenses.

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, more than 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

Skyrizi

- In January 2021, AbbVie announced top-line results from its Phase 3 KEEPSAKE-1 and KEEPSAKE-2 clinical trials of Skyrizi in adults with active psoriatic arthritis (PsA) met the primary and ranked secondary endpoints.
- In January 2021, AbbVie announced top-line results from its Phase 3 ADVANCE and MOTIVATE induction studies of Skyrizi in patients with Crohn's disease met the primary and key secondary endpoints.
- In April 2021, AbbVie received U.S. Food and Drug Administration (FDA) approval of Skyrizi in a single dose pre-filled syringe and pre-filled pen. This approval will reduce the number of injections administered per treatment.
- In June 2021, AbbVie announced top-line results from its Phase 3 FORTIFY study for Skyrizi in patients with moderate to severe Crohn's disease met the co-primary endpoints.
- In September 2021, AbbVie submitted a supplemental New Drug Application (sNDA) to the FDA for Skyrizi for the treatment of patients 16 years and older with moderate to severe Crohn's disease.
- In November 2021, AbbVie submitted a marketing authorization application (MAA) to the European Medicines Agency (EMA) for Skyrizi for the treatment of patients 16 years or older with moderate to severe active Crohn's disease who have had inadequate response, lost response or were intolerant to conventional or biologic therapy.
- In November 2021, AbbVie announced that the European Commission (EC) approved Skyrizi alone or in combination with methotrexate for the treatment of active PsA in adults who have had an inadequate response or who have been intolerant to one or more disease-modifying antirheumatic drugs.
- In January 2022, AbbVie announced that the FDA approved Skyrizi for the treatment of adults with active PsA.

Rinvoq

- In January 2021, AbbVie announced that the EC approved Rinvoq for the treatment of adults with active PsA and ankylosing spondylitis (AS).
- In February 2021, AbbVie announced its Phase 3 U-ACCOMPLISH induction study of Rinvoq for the treatment of adult patients with moderate to severe ulcerative colitis (UC) met the primary and all ranked secondary endpoints.
- In June 2021, AbbVie announced the FDA will not meet the Prescription Drug User Fee Act action dates for the sNDA of Rinvoq for the treatment of adults with active AS. No formal regulatory action has been taken on the sNDA for Rinvoq in AS.
- In June 2021, AbbVie announced the results from its Phase 3 maintenance study of Rinvoq in patients with UC met the primary and all secondary endpoints.
- In August 2021, AbbVie announced that the EC approved Rinvoq for the treatment of moderate to severe atopic dermatitis (AD) in adults and adolescents 12 years and older who are candidates for systemic therapy.

- In September 2021, AbbVie submitted an sNDA to the FDA and an MAA to the EMA for Rinvoq for the treatment of adults with moderately to severely active UC.
- In October 2021, AbbVie announced the results from Study 1 of the Phase 3 SELECT-AXIS 2 clinical trial for Rinvoq in patients with active AS and inadequate response to biologic disease-modifying antirheumatic drugs met the primary and all ranked secondary endpoints.
- In October 2021, AbbVie announced the results from Study 2 of the Phase 3 SELECT-AXIS 2 clinical trial for Rinvoq in adults with non-radiographic axial spondyloarthritis met the primary and 12 of 14 ranked secondary endpoints.
- In December 2021, AbbVie announced top-line results from its Phase 3 U-EXCEED induction study for Rinvoq in patients with moderate to severe Crohn's disease who had an inadequate response or were intolerant to biologic therapy met the primary and key secondary endpoints.
- In December 2021, AbbVie announced an update to the U.S. Prescribing Information and Medication Guide for Rinvoq for the treatment of adults with moderate to severe rheumatoid arthritis (RA). This update follows a Drug Safety Communication (DSC) issued by the FDA in September 2021 based on its final review of the post-marketing study evaluating another JAK inhibitor (tofacitinib) in patients with RA. The DSC and this label update apply to the class of systematically administered FDA-approved JAK inhibitors for the treatment of RA and other inflammatory diseases. Based on this class-wide update, the U.S. label for Rinvoq will now include additional information about risks within the Boxed Warnings and Warnings Precautions sections. The indication has also been updated to be indicated for the treatment of adults with moderately to severely active RA who have had an inadequate response or intolerance to one or more tumor necrosis factor (TNF) blockers.
- In December 2021, AbbVie announced that the FDA approved Rinvoq for the treatment of adults with active PSA who have had an inadequate response or intolerance to one or more TNF blockers.
- In January 2022, AbbVie announced its submission of an sNDA to the FDA and an MAA to the EMA for Rinvoq for the treatment of adults with active nr-axSpA with objective signs of inflammation who have responded inadequately to nonsteroidal anti-inflammatory drugs.
- In January 2022, AbbVie announced that the FDA approved Rinvoq for the treatment of moderate to severe AD in adults and children 12 years of age and older whose disease did not respond to previous treatment and is not well controlled with other pills or injections, including biologic medicines, or when use of other pills or injections is not recommended.
- In February 2022, AbbVie was notified that the EC is requesting the EMA to assess safety concerns associated with JAK inhibitor products authorized in inflammatory diseases and to evaluate the impact of these events on their benefit-risk balance. The assessment covers all JAK inhibitors approved for use in inflammatory diseases. The request is for an opinion from the EMA by September 30, 2022.

Oncology

Imbruvica

- In June 2021, AbbVie announced results from its Phase 3 GLOW study comparing the efficacy and safety of Imbruvica in combination with Venclexta versus chlorambucil plus obinutuzumab for first-line treatment in patients with chronic lymphocytic leukemia (CLL) or small lymphocytic lymphoma met its primary endpoint.

Venclexta

- In May 2021, AbbVie received European Commission approval for Venclyxto in combination with a hypomethylating agent for patients with newly diagnosed acute myeloid leukemia (AML) who are ineligible for intensive chemotherapy.

- In July 2021, AbbVie announced that the FDA granted Breakthrough Therapy Designation to Venclexta in combination with azacitidine for the potential treatment of adult patients with previously untreated intermediate-, high- and very high-risk myelodysplastic syndromes.

Teliso-V

- In January 2022, AbbVie announced that the FDA granted Breakthrough Therapy Designation to investigational telisotuzumab vedotin (Teliso-V) for the treatment of patients with advanced/metastatic epidermal growth factor receptor wild type, nonsquamous non-small cell lung cancer with high levels of c-Met overexpression whose disease has progressed on or after platinum-based therapy.

Neuroscience

Botox Therapeutic

- In February 2021, AbbVie received FDA approval of Botox for the treatment of detrusor overactivity associated with a neurological condition in certain pediatric patients 5 years of age and older.

Qulipta

- In September 2021, AbbVie announced that the FDA approved Qulipta (atogepant) for the preventive treatment of episodic migraine in adults.

Vraylar

- In October 2021, AbbVie announced top-line results from two Phase 3 clinical trials, Study 3111-301-001 and Study 3111-302-001, evaluating the efficacy and safety of cariprazine (Vraylar) as an adjunctive treatment for patients with major depressive disorder (MDD). In Study 3111-301-001, Vraylar met its primary endpoint demonstrating statistically significant change from baseline to week six in the Montgomery-Åsberg Depression Rating Scale (MADRS) total score compared with placebo in patients with MDD. In Study 3111-302-001, Vraylar demonstrated numerical improvement in depressive symptoms from baseline to week six in MADRS total score compared with placebo but did not achieve statistical significance. Safety data were consistent with the established safety profile of Vraylar across indications with no new safety signals identified.

ABBV-951

- In October 2021, AbbVie announced that results from its pivotal Phase 3 M15-736 study of ABBV-951 (foslevodopa/foscarbidopa) in patients with advanced Parkinson's disease met its primary endpoint in a 12-week study.

Eye Care

Vuity

- In October 2021, AbbVie announced that the FDA approved Vuity (pilocarpine HCl ophthalmic solution) for the treatment of presbyopia.

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.

years ended (dollars in millions)	2021	2020	2019	Percent change							
				At actual currency rates				At constant currency rates			
				2021	2020	2021	2020	2021	2020	2021	2020
United States	\$ 43,510	\$ 34,879	\$ 23,907	24.7	%	45.9	%	24.7	%	45.9	%
International	12,687	10,925	9,359	16.1	%	16.7	%	12.6	%	17.8	%
Net revenues	\$ 56,197	\$ 45,804	\$ 33,266	22.7	%	37.7	%	21.9	%	38.0	%

The following table details AbbVie's worldwide net revenues:

years ended December 31 (dollars in millions)		2021	2020	2019	Percent change			
					At actual currency rates		At constant currency rates	
					2021	2020	2021	2020
Immunology								
Humira	United States	\$ 17,330	\$ 16,112	\$ 14,864	7.6 %	8.4 %	7.6 %	8.4 %
	International	3,364	3,720	4,305	(9.6)%	(13.6)%	(12.8)%	(12.5)%
	Total	\$ 20,694	\$ 19,832	\$ 19,169	4.3 %	3.5 %	3.7 %	3.7 %
Skyrizi	United States	\$ 2,486	\$ 1,385	\$ 311	79.6 %	>100.0%	79.6 %	>100.0%
	International	453	205	44	>100.0 %	>100.0%	>100.0 %	>100.0%
	Total	\$ 2,939	\$ 1,590	\$ 355	84.9 %	>100.0%	84.0 %	>100.0%
Rinvoq	United States	\$ 1,271	\$ 653	\$ 47	94.8 %	>100.0%	94.8 %	>100.0%
	International	380	78	—	>100.0 %	>100.0%	>100.0 %	>100.0%
	Total	\$ 1,651	\$ 731	\$ 47	>100.0 %	>100.0%	>100.0 %	>100.0%
Hematologic Oncology								
Imbruvica	United States	\$ 4,321	\$ 4,305	\$ 3,830	0.4 %	12.4 %	0.4 %	12.4 %
	Collaboration revenues	1,087	1,009	844	7.7 %	19.5 %	7.7 %	19.5 %
	Total	\$ 5,408	\$ 5,314	\$ 4,674	1.8 %	13.7 %	1.8 %	13.7 %
Venclexta	United States	\$ 934	\$ 804	\$ 521	16.1 %	54.4 %	16.1 %	54.4 %
	International	886	533	271	66.2 %	97.0 %	60.9 %	97.8 %
	Total	\$ 1,820	\$ 1,337	\$ 792	36.1 %	69.0 %	34.0 %	69.3 %
Aesthetics								
Botox Cosmetic ^(a)	United States	\$ 1,424	\$ 687	\$ —	>100.0 %	n/m	>100.0 %	n/m
	International	808	425	—	90.0 %	n/m	83.9 %	n/m
	Total	\$ 2,232	\$ 1,112	\$ —	>100.0 %	n/m	98.4 %	n/m
Juvederm Collection ^(a)	United States	\$ 658	\$ 318	\$ —	>100.0 %	n/m	>100.0 %	n/m
	International	877	400	—	>100.0 %	n/m	>100.0 %	n/m
	Total	\$ 1,535	\$ 718	\$ —	>100.0 %	n/m	>100.0 %	n/m
Other Aesthetics ^(a)	United States	\$ 1,268	\$ 666	\$ —	90.2 %	n/m	90.2 %	n/m
	International	198	94	—	>100.0 %	n/m	>100.0 %	n/m
	Total	\$ 1,466	\$ 760	\$ —	93.0 %	n/m	91.9 %	n/m
Neuroscience								
Botox Therapeutic ^(a)	United States	\$ 2,012	\$ 1,155	\$ —	74.3 %	n/m	74.3 %	n/m
	International	439	232	—	89.0 %	n/m	78.8 %	n/m
	Total	\$ 2,451	\$ 1,387	\$ —	76.7 %	n/m	75.0 %	n/m
Vraylar ^(a)	United States	\$ 1,728	\$ 951	\$ —	81.7 %	n/m	81.7 %	n/m
Duodopa	United States	\$ 102	\$ 103	\$ 97	(1.0)%	5.9 %	(1.0)%	5.9 %
	International	409	391	364	4.6 %	7.4 %	(0.1)%	6.3 %
	Total	\$ 511	\$ 494	\$ 461	3.4 %	7.1 %	(0.3)%	6.2 %
Ubrelyv ^(a)	United States	\$ 552	\$ 125	\$ —	>100.0 %	n/m	>100.0 %	n/m
Other Neuroscience ^(a)	United States	\$ 667	\$ 528	\$ —	26.3 %	n/m	26.3 %	n/m
	International	18	11	—	77.4 %	n/m	64.7 %	n/m
	Total	\$ 685	\$ 539	\$ —	27.2 %	n/m	27.0 %	n/m

years ended December 31 (dollars in millions)		2021	2020	2019	Percent change			
					At actual currency rates		At constant currency rates	
					2021	2020	2021	2020
Eye Care								
Lumigan/Ganfort ^(a)	United States	\$ 273	\$ 165	\$ —	64.7 %	n/m	64.7 %	n/m
	International	306	213	—	44.1 %	n/m	38.1 %	n/m
	Total	\$ 579	\$ 378	\$ —	53.1 %	n/m	49.7 %	n/m
Alphagan/Combigan ^(a)	United States	\$ 373	\$ 223	\$ —	66.5 %	n/m	66.5 %	n/m
	International	156	103	—	52.5 %	n/m	50.6 %	n/m
	Total	\$ 529	\$ 326	\$ —	62.1 %	n/m	61.5 %	n/m
Restasis ^(a)	United States	\$ 1,234	\$ 755	\$ —	63.3 %	n/m	63.3 %	n/m
	International	56	32	—	75.3 %	n/m	80.1 %	n/m
	Total	\$ 1,290	\$ 787	\$ —	63.8 %	n/m	64.0 %	n/m
Other Eye Care ^(a)	United States	\$ 523	\$ 305	\$ —	72.7 %	n/m	72.7 %	n/m
	International	646	388	—	66.1 %	n/m	61.0 %	n/m
	Total	\$ 1,169	\$ 693	\$ —	69.0 %	n/m	66.1 %	n/m
Women's Health								
Lo Loestrin ^(a)	United States	\$ 423	\$ 346	\$ —	21.9 %	n/m	21.9 %	n/m
	International	14	10	—	43.3 %	n/m	33.0 %	n/m
	Total	\$ 437	\$ 356	\$ —	22.5 %	n/m	22.2 %	n/m
Orilissa/Oriahnn	United States	\$ 139	\$ 121	\$ 91	15.4 %	33.3 %	15.4 %	33.3 %
	International	6	4	2	57.7 %	96.1 %	47.6 %	97.7 %
	Total	\$ 145	\$ 125	\$ 93	16.7 %	34.6 %	16.4 %	34.6 %
Other Women's Health ^(a)	United States	\$ 209	\$ 181	\$ —	16.2 %	n/m	16.2 %	n/m
	International	5	11	—	(5.5)%	n/m	(6.5)%	n/m
	Total	\$ 214	\$ 192	\$ —	11.7 %	n/m	11.5 %	n/m
Other Key Products								
Mavyret	United States	\$ 754	\$ 785	\$ 1,473	(4.0)%	(46.7)%	(4.0)%	(46.7)%
	International	956	1,045	1,420	(8.5)%	(26.4)%	(10.8)%	(26.8)%
	Total	\$ 1,710	\$ 1,830	\$ 2,893	(6.5)%	(36.7)%	(7.8)%	(36.9)%
Creon	United States	\$ 1,191	\$ 1,114	\$ 1,041	6.9 %	6.9 %	6.9 %	6.9 %
Lupron	United States	\$ 604	\$ 600	\$ 720	0.5 %	(16.6)%	0.5 %	(16.6)%
	International	179	152	167	18.0 %	(9.1)%	15.0 %	(5.4)%
	Total	\$ 783	\$ 752	\$ 887	4.0 %	(15.2)%	3.4 %	(14.5)%
Linzees/Constella ^(a)	United States	\$ 1,006	\$ 649	\$ —	55.1 %	n/m	55.1 %	n/m
	International	32	18	—	77.3 %	n/m	66.4 %	n/m
	Total	\$ 1,038	\$ 667	\$ —	55.7 %	n/m	55.4 %	n/m
Synthroid	United States	\$ 767	\$ 771	\$ 786	(0.6)%	(1.9)%	(0.6)%	(1.9)%
All other		\$ 2,673	\$ 2,923	\$ 2,068	(8.6)%	41.3 %	(9.7)%	42.4 %
Total net revenues		\$ 56,197	\$ 45,804	\$ 33,266	22.7 %	37.7 %	21.9 %	38.0 %

n/m – Not meaningful

(a) Net revenues include Allergan product revenues after the acquisition closing date of May 8, 2020.

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

Global Humira sales increased 4% in 2021 primarily driven by market growth across therapeutic categories, partially offset by direct biosimilar competition in certain international markets. In the United States, Humira sales increased 8% in 2021 driven by market growth across all indications. This increase was partially offset by slightly lower market share following corresponding market share gains of Skyrizi and Rinvoq. Internationally, Humira revenues decreased 13% in 2021 primarily driven by direct biosimilar competition in certain international markets.

Net revenues for Skyrizi increased 84% in 2021 primarily driven by continued strong volume and market share uptake since launch in 2019 as a treatment for plaque psoriasis as well as market growth over the prior year.

Net revenues for Rinvoq increased by more than 100% in 2021 primarily driven by continued strong volume and market share uptake since launch in 2019 for the treatment of moderate to severe rheumatoid arthritis as well as market growth over the prior year. Net revenues were also favorably impacted by recent regulatory approvals and expansion of Rinvoq for the treatment of psoriatic arthritis, atopic dermatitis and ankylosing spondylitis in certain international markets.

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 increased 2% in 2021 as a result of modest favorable pricing in the United States and increased collaboration revenues, partially offset by lower new patient starts due to the COVID-19 pandemic and share loss in the United States.

Net revenues for Venclexta increased 34% in 2021 primarily due to continued expansion of Venclexta for the treatment of patients with first-line CLL, relapsed/refractory CLL and first-line AML.

Net revenues for Botox Cosmetic used in facial aesthetics increased 98% in 2021 due to increased brand investment and strong recovery from the COVID-19 pandemic. Net revenues were also favorably impacted by a full period of Allergan results in 2021 compared to the prior year.

Net revenues for Juvederm Collection (including Juvederm Ultra XC, Juvederm Voluma XC and other Juvederm products) used in facial aesthetics increased by more than 100% in 2021 due to increased brand investment and strong recovery from the COVID-19 pandemic. Net revenues were also favorably impacted by a full period of Allergan results in 2021 compared to the prior year.

Net revenues for Botox Therapeutic used primarily in neuroscience and urology therapeutic areas increased 75% in 2021 due to a strong recovery from the COVID-19 pandemic. Net revenues were also favorably impacted by a full period of Allergan results in 2021 compared to the prior year.

Net revenues for Vraylar for the treatment of schizophrenia, bipolar I disorder and bipolar depression increased 82% in 2021 due to higher market share and market growth. Net revenues were also favorably impacted by a full period of Allergan results in 2021 compared to the prior year.

Net revenues for Ubrelyvy for the acute treatment of migraine with or without aura in adults increased by more than 100% in 2021 primarily due to increased volume and market share uptake since launch in 2020.

Net revenues for Mavyret decreased 8% in 2021 primarily driven by the continued disruption of global HCV markets due to the COVID-19 pandemic.

Gross Margin

years ended December 31 (dollars in millions)	2021	2020	2019	Percent change	
				2021	2020
Gross margin	\$ 38,751	\$ 30,417	\$ 25,827	27 %	18 %
as a percent of net revenues	69 %	66 %	78 %		

Gross margin as a percentage of net revenues in 2021 increased from 2020 primarily due to lower amortization of inventory fair value step-up adjustment associated with the Allergan acquisition and favorable changes in product mix, partially offset by higher amortization of intangible assets associated with the Allergan acquisition.

Selling, General and Administrative

years ended December 31 (dollars in millions)	2021	2020	2019	Percent change	
				2021	2020
Selling, general and administrative	\$ 12,349	\$ 11,299	\$ 6,942	9 %	63 %
as a percent of net revenues	22 %	25 %	21 %		

SG&A expenses as a percentage of net revenues in 2021 decreased primarily due to lower transaction and integration costs related to the acquisition of Allergan as well as leverage from revenue growth and synergies realized in the period subsequent to completion of the Allergan acquisition.

Research and Development and Acquired In-Process Research and Development

years ended December 31 (dollars in millions)	2021	2020	2019	Percent change	
				2021	2020
Research and development	\$ 7,084	\$ 6,557	\$ 6,407	8 %	2 %
as a percent of net revenues	13 %	14 %	19 %		
Acquired in-process research and development	\$ 962	\$ 1,198	\$ 385	(20)%	>100%

R&D expenses as a percentage of net revenues decreased in 2021 primarily due to the increased scale of the combined company and synergies realized for the period subsequent to completion of the Allergan acquisition as well as lower integration costs related to the acquisition of Allergan.

Acquired IPR&D expenses represent initial costs to acquire rights to in-process R&D projects through R&D collaborations, licensing arrangements or other asset acquisitions. Acquired IPR&D expense in 2021 included a charge of \$400 million as a result of exercising the company's exclusive right to acquire TeneoOne, an affiliate of Teneobio, Inc., and TNB-383B, a BCMA-targeting immunotherapeutic for the potential treatment of relapsed or refractory multiple myeloma and a charge of \$370 million as a result of entering into a collaboration agreement with REGENXBIO Inc. for the development and commercialization of RGX-314, an investigational gene therapy for wet age-related macular degeneration, diabetic retinopathy and other chronic retinal diseases. Acquired IPR&D expense in 2020 included a charge of \$750 million as a result of entering into a collaboration agreement with Genmab A/S to research, develop and commercialize investigational bispecific antibody therapeutics for the treatment of cancer. Acquired IPR&D expense in 2020 also included a charge of \$200 million as a result of entering into a collaboration agreement with I-Mab Biopharma for the development and commercialization of lemozoparlimab for the treatment of multiple cancers. See Note 5 to the Consolidated Financial Statements for additional information.

Other Operating Expense (Income), Net

Other operating expense in 2021 included a \$500 million charge related to the extension of the Calico collaboration to discover, develop and bring to market new therapies for patients with age-related diseases, including neurodegeneration and cancer.

Other Non-Operating Expenses

years ended December 31 (in millions)	2021	2020	2019
Interest expense	\$ 2,423	\$ 2,454	\$ 1,784
Interest income	(39)	(174)	(275)
Interest expense, net	\$ 2,384	\$ 2,280	\$ 1,509
Net foreign exchange loss	\$ 51	\$ 71	\$ 42
Other expense, net	2,500	5,614	3,006

Interest expense in 2021 decreased compared to 2020 primarily due to the favorable impact of lower interest rates on the company's floating rate debt obligations and deleveraging, partially offset by a higher average debt balance associated with the incremental Allergan debt acquired.

Interest income in 2021 decreased compared to 2020 primarily due to a lower average cash and cash equivalents balance as a result of the cash paid for the Allergan acquisition and the unfavorable impact of lower interest rates.

Other expense, net included charges related to changes in fair value of the contingent consideration liabilities of \$2.7 billion in 2021 and \$5.8 billion in 2020. 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. In 2021, the change in fair value included the increase in the Skyrizi contingent consideration liability due to higher estimated sales driven by stronger market share uptake, favorable clinical trial results and the passage of time, partially offset by higher discount rates. In 2020, the change in fair value primarily included the increase in the Skyrizi contingent consideration liability due to higher estimated sales driven by stronger market share uptake, lower discount rates, the passage of time and favorable clinical trial results.

Income Tax Expense

The effective income tax rate was 11% in 2021, negative 36% in 2020 and 6% in 2019. The effective income tax rates differed from the statutory tax rate principally due to the impact of foreign operations which reflects the impact of lower income tax rates in locations outside the United States, tax incentives in Puerto Rico and other foreign tax jurisdictions, business development activities, changes in enacted tax rates and laws and related restructuring, tax audit settlements and accretion on contingent consideration. The 2020 effective income tax rate included the recognition of a net tax benefit of \$1.7 billion related to changes in tax laws and related restructuring, including certain intra-group transfers of intellectual property and deferred tax remeasurement. The effective tax rates for these periods also reflected the benefit from U.S. tax credits principally related to research and development credits, the orphan drug tax credit and Puerto Rico excise tax credits. The Puerto Rico excise tax credits relate to legislation enacted by Puerto Rico that assesses an excise tax on certain products manufactured in Puerto Rico. The tax is levied on gross inventory purchases from entities in Puerto Rico and is included in cost of products sold in the consolidated statements of earnings. The majority of the tax is creditable for U.S. income tax purposes.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

years ended December 31 (in millions)	2021	2020	2019
Cash flows provided by (used in)			
Operating activities	\$ 22,777	\$ 17,588	\$ 13,324
Investing activities	(2,344)	(37,557)	596
Financing activities	(19,039)	(11,501)	18,708

Operating cash flows in 2021 increased from 2020. Operating cash flows in 2021 were favorably impacted by higher net revenues of the combined company and lower acquisition-related cash expenses, partially offset by higher income tax payments and the timing of working capital cash flows. Operating cash flows also reflected AbbVie's contributions to its defined benefit plans of \$376 million in 2021 and \$367 million in 2020.

Investing cash flows in 2021 included \$535 million cash consideration paid to acquire Soliton, Inc. offset by cash acquired, payments made for other acquisitions and investments of \$1.4 billion, capital expenditures of \$787 million and net purchases of investment securities totaling \$21 million. Investing cash flows in 2020 included \$39.7 billion cash consideration paid to acquire Allergan offset by cash acquired of \$1.5 billion, net sales and maturities of investment securities totaling \$1.5 billion, payments made for other acquisitions and investments of \$1.4 billion and capital expenditures of \$798 million.

Financing cash flows in 2021 included early repayments of \$1.8 billion aggregate principal amount of the company's 2.3% principal notes, \$1.2 billion aggregate principal amount of the company's 5.0% senior notes and €750 million aggregate principal amount of the company's 0.5% senior Euro notes. Financing cash flows also included the May 2021 repayment of \$750 million aggregate principal amount of floating rate senior notes and the November 2021 repayment of \$1.3 billion aggregate principal amount of 3.375% senior notes, \$1.8 billion aggregate principal amount of 2.15% senior notes and \$750 million aggregate principal amount of floating rate senior notes at maturity. Additionally, financing cash flows included repayment of a \$1.0 billion floating rate term loan due May 2023 and issuance of a new \$1.0 billion floating rate term loan as part of the term loan refinancing in September 2021.

Financing cash flows in 2020 included the issuance of term loans totaling \$3.0 billion under the existing \$6.0 billion term loan credit agreement which were used to finance the acquisition of Allergan. Subsequent to these borrowings, AbbVie terminated the unused commitments of the lenders under the term loan. Additionally, financing cash flows included the May 2020 repayment of \$3.8 billion aggregate principal amount of the company's 2.50% senior notes, the September 2020 repayment of \$650 million aggregate principal amount of 3.375% senior notes and the November 2020 repayments of €700 million aggregate principal amount of floating rate senior Euro notes at maturity as well as the \$450 million aggregate principal amount of 4.875% senior notes due February 2021.

Financing cash flows also included cash dividend payments of \$9.3 billion in 2021 and \$7.7 billion in 2020. The increase in cash dividend payments was primarily driven by an increase of the dividend rate and higher outstanding shares following the 286 million shares of AbbVie common stock issued to Allergan shareholders in May 2020.

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. Under this authorization, AbbVie repurchased 6 million shares for \$670 million in 2021 and 8 million shares for \$757 million in 2020. AbbVie's remaining stock repurchase authorization was \$2.5 billion as of December 31, 2021.

No commercial paper borrowings were issued during 2021. In 2020, the company issued and redeemed commercial paper. There were no commercial paper borrowings outstanding as of December 31, 2021 or December 31, 2020. 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

AbbVie currently has a \$4.0 billion five-year revolving credit facility that matures in August 2024. This amended facility enables the company to borrow funds on an unsecured basis at variable interest rates and contains various covenants. At December 31, 2021, 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 December 31, 2021 and 2020.

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 to the company's credit ratings during 2021. Following the acquisition of Allergan in 2020, S&P Global Ratings revised its ratings outlook to stable from negative and lowered the issuer credit rating by one notch to BBB+ from A- and the short-term rating to A-2 from A-1. There were no changes in Moody's Investor Service of its Baa2 senior unsecured long-term rating and Prime-2 short-term rating with a stable outlook.

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.

Future Cash Requirements

Contractual Obligations

The following table summarizes AbbVie's estimated material contractual obligations as of December 31, 2021:

(in millions)	Total	Current	Long-term
Long-term debt, including current portion	\$ 75,962	\$ 12,428	\$ 63,534
Interest on long-term debt ^(a)	30,002	2,392	27,610
Contingent consideration liabilities ^(b)	14,887	1,249	13,638

- (a) Includes estimated future interest payments on long-term debt. Interest payments on debt are calculated for future periods using forecasted interest rates in effect at the end of 2021. Projected interest payments include the related effects of interest rate swap agreements. Certain of these projected interest payments may differ in the future based on changes in floating interest rates or other factors or events. The projected interest payments only pertain to obligations and agreements outstanding at December 31, 2021. See Note 10 to the Consolidated Financial Statements for additional information regarding the company's debt instruments and Note 11 for additional information on the interest rate swap agreements outstanding at December 31, 2021.

(b) Includes contingent consideration liabilities which are recorded at fair value on the consolidated balance sheet. Potential contingent consideration payments that exceed the fair value recorded on the consolidated balance sheet are not included in the table of contractual obligations. See Note 11 to the Consolidated Financial Statements for additional information regarding these liabilities.

AbbVie enters into certain unconditional purchase obligations and other commitments in the normal course of business. There have been no changes to these commitments that would have a material impact on the company's ability to meet either short-term or long-term future cash requirements.

Income Taxes

Future income tax cash requirements include a one-time transition tax liability on a mandatory deemed repatriation of previously untaxed earnings of foreign subsidiaries resulting from U.S. tax reform enacted in 2017. The one-time transition tax liability was \$3.9 billion as of December 31, 2021 and is payable in five future annual installments.

Liabilities for unrecognized tax benefits totaled \$6.0 billion as of December 31, 2021. It is not possible to reliably estimate the timing of the future cash outflows related to these liabilities. See Note 14 to the Consolidated Financial Statements for additional information on these unrecognized tax benefits.

Quarterly Cash Dividend

On October 29, 2021, AbbVie announced that its board of directors declared an increase in the quarterly cash dividend from \$1.30 per share to \$1.41 per share beginning with the dividend payable on February 15, 2022 to stockholders of record as of January 14, 2022. This reflects an increase of approximately 8.5% over the previous quarterly rate. 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.

Collaborations, Licensing and Other Arrangements

AbbVie enters into collaborative, licensing, and other arrangements with third parties that may require future milestone payments to third parties contingent upon the achievement of certain development, regulatory, or commercial milestones. Individually, these arrangements are insignificant in any one annual reporting period. However, if milestones for multiple products covered by these arrangements would happen to be reached in the same reporting period, the aggregate charge to expense could be material to the results of operations in that period. From a business perspective, the payments are viewed as positive because they signify that the product is successfully moving through development and is now generating or is more likely to generate future cash flows from product sales. It is not possible to predict with reasonable certainty whether these milestones will be achieved or the timing for achievement. See Note 5 to the Consolidated Financial Statements for additional information on these collaboration arrangements.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles in the United States requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses. A summary of the company's significant accounting policies is included in Note 2 to the Consolidated Financial Statements. Certain of these policies are considered critical as these most significantly impact the company's financial condition and results of operations and require the most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Actual results may vary from these estimates.

Revenue Recognition

AbbVie recognizes revenue when control of promised goods or services is transferred to the company's customers, in an amount that reflects the consideration AbbVie expects to be entitled to in exchange for those goods or services. Sales, value add and other taxes collected concurrent with revenue-producing activities are excluded from revenue. AbbVie generates revenue primarily from product sales. For the majority of sales, the company transfers control, invoices the customer and recognizes revenue upon shipment to the customer.

Rebates

AbbVie provides rebates to pharmacy benefit managers, state government Medicaid programs, insurance companies that administer Medicare drug plans, wholesalers, group purchasing organizations and other government agencies and private entities.

Rebate and chargeback accruals are accounted for as variable consideration and are recorded as a reduction to revenue in the period the related product is sold. Provisions for rebates and chargebacks totaled \$33.9 billion in 2021, \$27.0 billion in 2020 and \$18.8 billion in 2019. Rebate amounts are typically based upon the volume of purchases using contractual or statutory prices, which may vary by product and by payer. For each type of rebate, the factors used in the calculations of the accrual for that rebate include the identification of the products subject to the rebate, the applicable price terms and the estimated lag time between sale and payment of the rebate, which can be significant.

In order to establish its rebate and chargeback accruals, the company uses both internal and external data to estimate the level of inventory in the distribution channel and the rebate claims processing lag time for each type of rebate. To estimate the rebate percentage or net price, the company tracks sales by product and by customer or payer. The company evaluates inventory data reported by wholesalers, available prescription volume information, product pricing, historical experience and other factors in order to determine the adequacy of its reserves. AbbVie regularly monitors its reserves and records adjustments when rebate trends, rebate programs and contract terms, legislative changes, or other significant events indicate that a change in the reserve is appropriate. Historically, adjustments to rebate accruals have not been material to net earnings.

The following table is an analysis of the three largest accruals for rebates and chargebacks, which comprise approximately 95% of the total consolidated rebate and chargebacks recorded as reductions to revenues in 2021. Remaining rebate provisions charged against gross revenues are not significant in the determination of operating earnings.

(in millions)	Medicaid and Medicare Rebates	Managed Care Rebates	Wholesaler Chargebacks
Balance at December 31, 2018	\$ 1,645	\$ 1,439	\$ 656
Provisions	4,035	5,772	7,947
Payments	(3,915)	(5,275)	(7,917)
Balance at December 31, 2019	1,765	1,936	686
Additions ^(a)	1,266	649	71
Provisions	6,715	8,656	8,677
Payments	(6,801)	(8,334)	(8,693)
Balance at December 31, 2020	2,945	2,907	741
Provisions	9,622	11,306	11,286
Payments	(8,751)	(11,116)	(11,125)
Balance at December 31, 2021	\$ 3,816	\$ 3,097	\$ 902

(a) Represents rebate accruals and chargeback allowances assumed in the Allergan acquisition.

Cash Discounts and Product Returns

Cash discounts and product returns, which totaled \$3.6 billion in 2021, \$2.4 billion in 2020 and \$1.6 billion in 2019, are accounted for as variable consideration and are recorded as a reduction to revenue in the same period the related product is sold. The reserve for cash discounts is readily determinable because the company's experience of payment history is fairly consistent. Product returns can be reliably estimated based on the company's historical return experience.

Pension and Other Post-Employment Benefits

AbbVie engages outside actuaries to assist in the determination of the obligations and costs under the pension and other post-employment benefit plans that are direct obligations of AbbVie. The valuation of the funded status and the net periodic benefit cost for these plans are calculated using actuarial assumptions. The significant assumptions, which are reviewed annually, include the discount rate, the expected long-term rate of return on plan assets and the health care cost trend rates, and are disclosed in Note 12 to the Consolidated Financial Statements.

The discount rate is selected based on current market rates on high-quality, fixed-income investments at December 31 each year. AbbVie employs a yield-curve approach for countries where a robust bond market exists. The yield curve is developed using high-quality bonds. The yield-curve approach reflects the plans' specific cash flows (i.e. duration) in calculating the benefit obligations by applying the corresponding individual spot rates along the yield curve. AbbVie reflects the plans' specific cash flows and applies them to the corresponding individual spot rates along the yield curve in calculating the service cost and interest cost portions of expense. For other countries, AbbVie reviews various indices such as corporate bond and government bond benchmarks to estimate the discount rate.

AbbVie's assumed discount rates have a significant effect on the amounts reported for defined benefit pension and other post-employment plans as of December 31, 2021. A 50 basis point change in the assumed discount rate would have had the following effects on AbbVie's calculation of net periodic benefit costs in 2022 and projected benefit obligations as of December 31, 2021:

(in millions) (brackets denote a reduction)	50 basis point	
	Increase	Decrease
Defined benefit plans		
Service and interest cost	\$ (90)	\$ 100
Projected benefit obligation	(1,014)	1,159
Other post-employment plans		
Service and interest cost	\$ (7)	\$ 7
Projected benefit obligation	(61)	69

The expected long-term rate of return is based on the asset allocation, historical performance and the current view of expected future returns. AbbVie considers these inputs with a long-term focus to avoid short-term market influences. The current long-term rate of return on plan assets for each plan is supported by the historical performance of the trust's actual and target asset allocation. AbbVie's assumed expected long-term rate of return has a significant effect on the amounts reported for defined benefit pension plans as of December 31, 2021 and will be used in the calculation of net periodic benefit cost in 2022. A one percentage point change in assumed expected long-term rate of return on plan assets would increase or decrease the net period benefit cost of these plans in 2022 by \$101 million.

The health care cost trend rate is selected by reviewing historical trends and current views on projected future health care cost increases. The current health care cost trend rate is supported by the historical trend experience of each plan. Assumed health care cost trend rates have a significant effect on the amounts reported for health care plans as of December 31, 2021 and will be used in the calculation of net periodic benefit cost in 2022.

Income Taxes

AbbVie accounts for income taxes under the asset and liability method. Provisions for federal, state and foreign income taxes are calculated on reported pretax earnings based on current tax laws. Deferred taxes are provided using enacted tax rates on the future tax consequences of temporary differences, which are the differences between the financial statement carrying amount of assets and liabilities and their respective tax bases and the tax benefits of carryforwards. A valuation allowance is established or maintained when, based on currently available information, it is more likely than not that all or a portion of a deferred tax asset will not be realized.

Litigation

The company 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. See Note 15 to the Consolidated Financial Statements for additional information. 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. Accordingly, AbbVie is often initially unable to develop a best estimate of loss and therefore, the minimum amount, which could be zero, is recorded. As information becomes known, either the minimum loss amount is increased, resulting in additional loss provisions, or a best estimate can be made, also resulting in additional loss provisions. Occasionally, a best estimate amount is changed to a lower amount when events result in an expectation of a more favorable outcome than previously expected.

Valuation of Goodwill and Intangible Assets

AbbVie has acquired and may continue to acquire significant intangible assets in connection with business combinations that AbbVie records at fair value. Transactions involving the purchase or sale of intangible assets occur between companies in

the pharmaceuticals industry and valuations are usually based on a discounted cash flow analysis incorporating the stage of completion. The discounted cash flow model requires assumptions about the timing and amount of future net cash flows, risk, cost of capital, terminal values and market participants. Each of these factors can significantly affect the value of the intangible asset. IPR&D acquired in a business combination is capitalized as an indefinite-lived intangible asset until regulatory approval is obtained, at which time it is accounted for as a definite-lived asset and amortized over its estimated useful life, or discontinuation, at which point the intangible asset will be written off. IPR&D acquired in transactions that are not business combinations is expensed immediately, unless deemed to have an alternative future use. Payments made to third parties subsequent to regulatory approval are capitalized and amortized over the remaining useful life.

AbbVie reviews the recoverability of definite-lived intangible assets whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Goodwill and indefinite-lived intangible assets are reviewed for impairment annually or when an event occurs that could result in an impairment. See Note 2 to the Consolidated Financial Statements for additional information.

Annually, the company tests its goodwill for impairment by first assessing qualitative factors to determine whether it is more likely than not that the fair value is less than its carrying amount. Some of the factors considered in the assessment include general macro-economic conditions, conditions specific to the industry and market, cost factors, the overall financial performance and whether there have been sustained declines in the company's share price. If the company concludes it is more likely than not that the fair value of the reporting unit is less than its carrying amount, a quantitative impairment test is performed. AbbVie tests indefinite-lived intangible assets for impairment by first assessing qualitative factors to determine whether it is more likely than not that the fair value is less than its carrying amount. If the company concludes it is more likely than not that the fair value is less than its carrying amount, a quantitative impairment test is performed.

For its quantitative impairment tests, the company uses an estimated future cash flow approach that requires significant judgment with respect to future volume, revenue and expense growth rates, changes in working capital use, the selection of an appropriate discount rate, asset groupings and other assumptions and estimates. The estimates and assumptions used are consistent with the company's business plans and a market participant's views. The use of alternative estimates and assumptions could increase or decrease the estimated fair value of the assets and could potentially impact the company's results of operations. Actual results may differ from the company's estimates.

Contingent Consideration

The fair value measurements of contingent consideration liabilities are determined as of the acquisition date 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. Contingent consideration liabilities are revalued to fair value at each subsequent reporting date until the related contingency is resolved. 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, which are disclosed in Note 11 to the Consolidated Financial Statements. 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.

Recent Accounting Pronouncements

See Note 2 to the Consolidated Financial Statements for additional information on recent accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The company is exposed to risk that its earnings, cash flows and equity could be adversely impacted by changes in foreign exchange rates and interest rates. Certain derivative instruments are used when available on a cost-effective basis to hedge the company's underlying economic exposures. See Note 11 to the Consolidated Financial Statements for additional information regarding the company's financial instruments and hedging strategies.

Foreign Currency Risk

AbbVie's primary net foreign currency exposures are the Euro, Japanese yen, Canadian dollar, Chinese yuan and British pound. The following table reflects the total foreign currency forward exchange contracts outstanding at December 31, 2021 and 2020:

as of December 31 (in millions)	2021			2020		
	Contract amount	Weighted average exchange rate	Fair and carrying value receivable/(payable)	Contract amount	Weighted average exchange rate	Fair and carrying value receivable/(payable)
Receive primarily U.S. dollars in exchange for the following currencies:						
Euro	\$ 10,253	1.155	\$ 195	\$ 7,818	1.213	\$ (39)
Chinese yuan	673	6.400	(1)	247	6.584	(1)
British pound	605	1.331	9	275	1.341	3
Japanese yen	602	113.3	9	837	103.9	(7)
Canadian dollar	571	1.258	9	591	1.328	(23)
All other currencies	1,549	n/a	5	1,459	n/a	(14)
Total	\$ 14,253		\$ 226	\$ 11,227		\$ (81)

The company estimates that a 10% appreciation in the underlying currencies being hedged from their levels against the U.S. dollar, with all other variables held constant, would decrease the fair value of foreign exchange forward contracts by \$1.4 billion at December 31, 2021. If realized, this appreciation would negatively affect earnings over the remaining life of the contracts. However, gains and losses on the hedging instruments offset losses and gains on the hedged transactions and reduce the earnings and stockholders' equity volatility relating to foreign exchange. A 10% appreciation is believed to be a reasonably possible near-term change in foreign currencies.

As of December 31, 2021, the company has €5.9 billion aggregate principal amount of unsecured senior Euro notes outstanding, which are exposed to foreign currency risk. The company designated these foreign currency denominated notes as hedges of its net investments in certain foreign subsidiaries and affiliates. As a result, any foreign currency translation gains or losses related to the Euro notes will be included in accumulated other comprehensive loss. See Note 10 to the Consolidated Financial Statements for additional information regarding to the senior Euro notes and Note 11 to the Consolidated Financial Statements for additional information regarding to the net investment hedging program.

Interest Rate Risk

The company estimates that an increase in interest rates of 100 basis points would adversely impact the fair value of AbbVie's interest rate swap contracts by approximately \$244 million at December 31, 2021. If realized, the fair value reduction would affect earnings over the remaining life of the contracts. The company estimates that an increase of 100 basis points in long-term interest rates would decrease the fair value of long-term debt by \$5.0 billion at December 31, 2021. A 100 basis point change is believed to be a reasonably possible near-term change in interest rates.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated Financial Statements

	<u>Page</u>
Consolidated Statements of Earnings	50
Consolidated Statements of Comprehensive Income	51
Consolidated Balance Sheets	52
Consolidated Statements of Equity	53
Consolidated Statements of Cash Flows	54
Notes to Consolidated Financial Statements	55
Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)	100

AbbVie Inc. and Subsidiaries
Consolidated Statements of Earnings

years ended December 31 (in millions, except per share data)	2021		2020		2019
Net revenues	\$	56,197	\$	45,804	\$ 33,266
Cost of products sold		17,446		15,387	7,439
Selling, general and administrative		12,349		11,299	6,942
Research and development		7,084		6,557	6,407
Acquired in-process research and development		962		1,198	385
Other operating expense (income), net		432		—	(890)
Total operating costs and expenses		38,273		34,441	20,283
Operating earnings		17,924		11,363	12,983
Interest expense, net		2,384		2,280	1,509
Net foreign exchange loss		51		71	42
Other expense, net		2,500		5,614	3,006
Earnings before income tax expense		12,989		3,398	8,426
Income tax expense (benefit)		1,440		(1,224)	544
Net earnings		11,549		4,622	7,882
Net earnings attributable to noncontrolling interest		7		6	—
Net earnings attributable to AbbVie Inc.	\$	11,542	\$	4,616	\$ 7,882
Per share data					
Basic earnings per share attributable to AbbVie Inc.	\$	6.48	\$	2.73	\$ 5.30
Diluted earnings per share attributable to AbbVie Inc.	\$	6.45	\$	2.72	\$ 5.28
Weighted-average basic shares outstanding		1,770		1,667	1,481
Weighted-average diluted shares outstanding		1,777		1,673	1,484

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

AbbVie Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income

years ended December 31 (in millions)	2021		2020		2019	
Net earnings	\$	11,549	\$	4,622	\$	7,882
Foreign currency translation adjustments, net of tax expense (benefit) of \$(35) in 2021, \$28 in 2020 and \$(4) in 2019		(1,153)		1,511		(98)
Net investment hedging activities, net of tax expense (benefit) of \$193 in 2021, \$(221) in 2020 and \$22 in 2019		699		(799)		74
Pension and post-employment benefits, net of tax expense (benefit) of \$124 in 2021, \$(47) in 2020 and \$(323) in 2019		521		(102)		(1,243)
Marketable security activities, net of tax expense (benefit) of \$— in 2021, \$— in 2020 and \$— in 2019		—		—		10
Cash flow hedging activities, net of tax expense (benefit) of \$20 in 2021, \$(23) in 2020 and \$70 in 2019		151		(131)		141
Other comprehensive income (loss)	\$	218	\$	479	\$	(1,116)
Comprehensive income		11,767		5,101		6,766
Comprehensive income attributable to noncontrolling interest		7		6		—
Comprehensive income attributable to AbbVie Inc.	\$	11,760	\$	5,095	\$	6,766

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

AbbVie Inc. and Subsidiaries
Consolidated Balance Sheets

as of December 31 (in millions, except share data)	2021	2020
Assets		
Current assets		
Cash and equivalents	\$ 9,746	\$ 8,449
Short-term investments	84	30
Accounts receivable, net	9,977	8,822
Inventories	3,128	3,310
Prepaid expenses and other	4,993	3,562
Total current assets	27,928	24,173
Investments	277	293
Property and equipment, net	5,110	5,248
Intangible assets, net	75,951	82,876
Goodwill	32,379	33,124
Other assets	4,884	4,851
Total assets	\$ 146,529	\$ 150,565
Liabilities and Equity		
Current liabilities		
Short-term borrowings	\$ 14	\$ 34
Current portion of long-term debt and finance lease obligations	12,481	8,468
Accounts payable and accrued liabilities	22,699	20,159
Total current liabilities	35,194	28,661
Long-term debt and finance lease obligations	64,189	77,554
Deferred income taxes	3,009	3,646
Other long-term liabilities	28,701	27,607
Commitments and contingencies		
Stockholders' equity (deficit)		
Common stock, \$0.01 par value, 4,000,000,000 shares authorized, 1,803,195,293 shares issued as of December 31, 2021 and 1,792,140,764 as of December 31, 2020	18	18
Common stock held in treasury, at cost, 34,857,597 shares as of December 31, 2021 and 27,007,945 as of December 31, 2020	(3,143)	(2,264)
Additional paid-in capital	18,305	17,384
Retained earnings	3,127	1,055
Accumulated other comprehensive loss	(2,899)	(3,117)
Total stockholders' equity	15,408	13,076
Noncontrolling interest	28	21
Total equity	15,436	13,097
Total liabilities and equity	\$ 146,529	\$ 150,565

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

AbbVie Inc. and Subsidiaries
Consolidated Statements of Equity

years ended December 31 (in millions)	Common shares outstanding	Common stock	Treasury stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Noncontrolling interest	Total
Balance at December 31, 2018	1,479	\$ 18	\$ (24,108)	\$ 14,756	\$ 3,368	\$ (2,480)	\$ —	\$ (8,446)
Net earnings attributable to AbbVie Inc.	—	—	—	—	7,882	—	—	7,882
Other comprehensive loss, net of tax	—	—	—	—	—	(1,116)	—	(1,116)
Dividends declared	—	—	—	—	(6,533)	—	—	(6,533)
Purchases of treasury stock	(5)	—	(428)	—	—	—	—	(428)
Stock-based compensation plans and other	5	—	32	437	—	—	—	469
Balance at December 31, 2019	1,479	18	(24,504)	15,193	4,717	(3,596)	—	(8,172)
Net earnings attributable to AbbVie Inc.	—	—	—	—	4,616	—	—	4,616
Other comprehensive income, net of tax	—	—	—	—	—	479	—	479
Dividends declared	—	—	—	—	(8,278)	—	—	(8,278)
Common shares and equity awards issued for acquisition of Allergan plc	286	—	23,166	1,243	—	—	—	24,409
Purchases of treasury stock	(10)	—	(978)	—	—	—	—	(978)
Stock-based compensation plans and other	10	—	52	948	—	—	—	1,000
Change in noncontrolling interest	—	—	—	—	—	—	21	21
Balance at December 31, 2020	1,765	18	(2,264)	17,384	1,055	(3,117)	21	13,097
Net earnings attributable to AbbVie Inc.	—	—	—	—	11,542	—	—	11,542
Other comprehensive income, net of tax	—	—	—	—	—	218	—	218
Dividends declared	—	—	—	—	(9,470)	—	—	(9,470)
Purchases of treasury stock	(8)	—	(934)	—	—	—	—	(934)
Stock-based compensation plans and other	11	—	55	921	—	—	—	976
Change in noncontrolling interest	—	—	—	—	—	—	7	7
Balance at December 31, 2021	1,768	\$ 18	\$ (3,143)	\$ 18,305	\$ 3,127	\$ (2,899)	\$ 28	\$ 15,436

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

AbbVie Inc. and Subsidiaries
Consolidated Statements of Cash Flows

years ended December 31 (in millions) (brackets denote cash outflows)

	2021	2020	2019
Cash flows from operating activities			
Net earnings	\$ 11,549	\$ 4,622	\$ 7,882
Adjustments to reconcile net earnings to net cash from operating activities:			
Depreciation	803	666	464
Amortization of intangible assets	7,718	5,805	1,553
Deferred income taxes	(898)	(2,325)	122
Change in fair value of contingent consideration liabilities	2,679	5,753	3,091
Stock-based compensation	692	753	430
Upfront costs and milestones related to collaborations	1,624	1,376	490
Gain on divestitures	(68)	—	(330)
Stemcentrx impairment	—	—	1,030
Other, net	—	832	43
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(1,321)	(929)	(74)
Inventories	(142)	(40)	(231)
Prepaid expenses and other assets	(197)	134	(225)
Accounts payable and other liabilities	1,628	1,514	97
Income tax assets and liabilities, net	(1,290)	(573)	(1,018)
Cash flows from operating activities	22,777	17,588	13,324
Cash flows from investing activities			
Acquisition of businesses, net of cash acquired	(525)	(38,260)	—
Other acquisitions and investments	(1,377)	(1,350)	(1,135)
Acquisitions of property and equipment	(787)	(798)	(552)
Purchases of investment securities	(119)	(61)	(583)
Sales and maturities of investment securities	98	1,525	2,699
Other, net	366	1,387	167
Cash flows from investing activities	(2,344)	(37,557)	596
Cash flows from financing activities			
Net change in commercial paper borrowings	—	—	(699)
Repayments of other short-term borrowings	—	—	(3,000)
Proceeds from issuance of long-term debt	1,000	3,000	31,482
Repayments of long-term debt and finance lease obligations	(9,414)	(5,683)	(1,536)
Debt issuance costs	—	(20)	(424)
Dividends paid	(9,261)	(7,716)	(6,366)
Purchases of treasury stock	(934)	(978)	(629)
Proceeds from the exercise of stock options	244	209	8
Payments of contingent consideration liabilities	(698)	(321)	(163)
Other, net	24	8	35
Cash flows from financing activities	(19,039)	(11,501)	18,708
Effect of exchange rate changes on cash and equivalents	(97)	(5)	7
Net change in cash and equivalents	1,297	(31,475)	32,635
Cash and equivalents, beginning of year	8,449	39,924	7,289
Cash and equivalents, end of year	\$ 9,746	\$ 8,449	\$ 39,924
Other supplemental information			
Interest paid, net of portion capitalized	\$ 2,712	\$ 2,619	\$ 1,794
Income taxes paid	3,648	1,674	1,447
Supplemental schedule of non-cash investing and financing activities			
Issuance of common shares associated with acquisitions of businesses	—	23,979	—

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

Note 1 Background

Background

The principal business of AbbVie Inc. (AbbVie or the company) is the discovery, development, manufacturing and sale of a broad line of therapies that address some of the world's most complex and serious diseases. 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 customers or through distributors, depending on the market served.

AbbVie was incorporated in Delaware on April 10, 2012. On January 1, 2013, AbbVie became an independent, publicly-traded company as a result of the distribution by Abbott Laboratories (Abbott) of 100% of the outstanding common stock of AbbVie to Abbott's shareholders.

On May 8, 2020, AbbVie completed its acquisition of Allergan plc (Allergan). Refer to Note 5 for additional information regarding this acquisition.

Note 2 Summary of Significant Accounting Policies

Use of Estimates

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts. Significant estimates include amounts for rebates, pension and other post-employment benefits, income taxes, litigation, valuation of goodwill and intangible assets, contingent consideration liabilities, financial instruments and inventory and accounts receivable exposures.

Basis of Consolidation

The consolidated financial statements include the accounts of AbbVie and all of its subsidiaries in which a controlling interest is maintained. Controlling interest is determined by majority ownership interest and the absence of substantive third-party participating rights or, in the case of variable interest entities, where AbbVie is determined to be the primary beneficiary. Investments in companies over which AbbVie has a significant influence but not a controlling interest are accounted for using the equity method with AbbVie's share of earnings or losses reported in other expense, net in the consolidated statements of earnings. Intercompany balances and transactions are eliminated.

Certain reclassifications have been made to conform the prior period consolidated financial statements to the current period presentation.

Revenue Recognition

AbbVie recognizes revenue when control of promised goods or services is transferred to the company's customers, in an amount that reflects the consideration AbbVie expects to be entitled to in exchange for those goods or services. Sales, value add and other taxes collected concurrent with revenue-producing activities are excluded from revenue. AbbVie generates revenue primarily from product sales. For the majority of sales, the company transfers control, invoices the customer and recognizes revenue upon shipment to the customer. The company recognizes shipping and handling costs as an expense in cost of products sold when the company transfers control to the customer. Payment terms vary depending on the type and location of the customer, are based on customary commercial terms and are generally less than one year. AbbVie does not adjust revenue for the effects of a significant financing component for contracts where AbbVie expects the period between the transfer of the good or service and collection to be one year or less.

Discounts, rebates, sales incentives to customers, returns and certain other adjustments are accounted for as variable consideration. Provisions for variable consideration are based on current pricing, executed contracts, government pricing legislation and historical data and are provided for in the period the related revenues are recorded. Rebate amounts are

typically based upon the volume of purchases using contractual or statutory prices, which may vary by product and by payer. For each type of rebate, factors used in the calculation of the accrual include the identification of the products subject to the rebate, the applicable price terms and the estimated lag time between sale and payment of the rebate, which can be significant. Sales incentives to customers are insignificant.

In addition to revenue from contracts with customers, the company also recognizes certain collaboration revenues. See Note 6 for additional information related to the collaborations with Janssen Biotech, Inc. and Genentech, Inc. Additionally, see Note 16 for disaggregation of revenue by product and geography.

Research and Development Expenses

Internal research and development (R&D) costs are expensed as incurred. Clinical trial costs incurred by third parties are expensed as the contracted work is performed. Where contingent milestone payments are due to third parties under research and development collaborations, prior to regulatory approval, the payment obligations are expensed when the milestone results are achieved. Payments made to third parties subsequent to regulatory approval are capitalized as intangible assets and amortized to cost of products sold over the remaining useful life of the related product.

Collaborations and Other Arrangements

The company enters into collaborative agreements with third parties to develop and commercialize drug candidates. Collaborative activities may include joint research and development and commercialization of new products. AbbVie generally receives certain licensing rights under these arrangements. These collaborations often require upfront payments and may include additional milestone, research and development cost sharing, royalty or profit share payments, contingent upon the occurrence of certain future events linked to the success of the asset in development and commercialization. Upfront payments associated with collaborative arrangements during the development stage are expensed to acquired in-process research and development (IPR&D) expenses in the consolidated statements of earnings. Subsequent payments made to the partner for the achievement of milestones during the development stage are expensed to R&D expense in the consolidated statements of earnings when the milestone is achieved. Milestone payments made to the partner subsequent to regulatory approval are capitalized as intangible assets and amortized to cost of products sold over the estimated useful life of the related asset. Royalties are expensed to cost of products sold in the consolidated statements of earnings when incurred.

Advertising

Costs associated with advertising are expensed as incurred and are included in selling, general and administrative (SG&A) expense in the consolidated statements of earnings. Advertising expenses were \$2.1 billion in 2021, \$1.8 billion in 2020 and \$1.1 billion in 2019.

Pension and Other Post-Employment Benefits

AbbVie records annual expenses relating to its defined benefit pension and other post-employment benefit plans based on calculations which utilize various actuarial assumptions, including discount rates, rates of return on assets, compensation increases, turnover rates and health care cost trend rates. AbbVie reviews its actuarial assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends. Actuarial gains and losses are deferred in accumulated other comprehensive income (loss) (AOCI), net of tax and are amortized over the remaining service attribution periods of the employees under the corridor method. Differences between the expected long-term return on plan assets and the actual annual return are generally amortized to net periodic benefit cost over a five-year period.

Income Taxes

Income taxes are accounted for under the asset and liability method. Provisions for federal, state and foreign income taxes are calculated on reported pretax earnings based on current tax laws. Deferred taxes are provided using enacted tax rates on the future tax consequences of temporary differences, which are the differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases and the tax benefits of carryforwards. A valuation allowance is established or maintained when, based on currently available information, it is more likely than not that all or a portion of a deferred tax asset will not be realized.

Cash and Equivalents

Cash and equivalents include money market funds and time deposits with original maturities of three months or less.

Investments

Investments consist primarily of equity securities, held-to-maturity debt securities, marketable debt securities and time deposits. Investments in equity securities that have readily determinable fair values are recorded at fair value. Investments in equity securities that do not have readily determinable fair values are recorded at cost and are remeasured to fair value based on certain observable price changes or impairment events as they occur. Held-to-maturity debt securities are recorded at cost. Gains or losses on investments are included in other expense, net in the consolidated statements of earnings. Investments in marketable debt securities are classified as available-for-sale and are recorded at fair value with any unrealized holding gains or losses, net of tax, included in AOCI on the consolidated balance sheets until realized, at which time the gains or losses are recognized in earnings.

AbbVie periodically assesses its marketable debt securities for impairment and credit losses. When a decline in fair value of marketable debt security is due to credit related factors, an allowance for credit losses is recorded with a corresponding charge to other expense, net in the consolidated statements of earnings. When AbbVie determines that a non-credit related impairment has occurred, the amortized cost basis of the investment, net of allowance for credit losses, is written down with a charge to other expense, net in the consolidated statements of earnings and an available-for-sale investment's unrealized loss is reclassified from AOCI to other expense, net in the consolidated statements of earnings. Realized gains and losses on sales of investments are computed using the first-in, first-out method adjusted for any impairments and credit losses that were recorded in net earnings.

Accounts Receivable

Accounts receivable are stated at amortized cost less allowance for credit losses. The allowance for credit losses reflects the best estimate of future losses over the contractual life of outstanding accounts receivable and is determined on the basis of historical experience, specific allowances for known troubled accounts, other currently available information including customer financial condition, and both current and forecasted economic conditions.

Inventories

Inventories are valued at the lower of cost (first-in, first-out basis) or market. Cost includes material and conversion costs. Inventories consisted of the following:

as of December 31 (in millions)	2021	2020
Finished goods	\$ 932	\$ 1,318
Work-in-process	1,193	1,201
Raw materials	1,003	791
Inventories	\$ 3,128	\$ 3,310

Property and Equipment

as of December 31 (in millions)	2021	2020
Land	\$ 287	\$ 288
Buildings	2,791	2,555
Equipment	6,850	6,976
Construction in progress	799	1,040
Property and equipment, gross	10,727	10,859
Less accumulated depreciation	(5,617)	(5,611)
Property and equipment, net	\$ 5,110	\$ 5,248

Depreciation for property and equipment is recorded on a straight-line basis over the estimated useful lives of the assets. The estimated useful life for buildings ranges from 10 to 50 years. Buildings include leasehold improvements which are amortized over the life of the related facility lease (including any renewal periods, if appropriate) or the asset, whichever is shorter. The estimated useful life for equipment ranges from 2 to 25 years. Equipment includes certain computer software and software development costs incurred in connection with developing or obtaining software for internal use and is amortized over 3 to 10 years. Depreciation expense was \$803 million in 2021, \$666 million in 2020 and \$464 million in 2019.

Leases

Short-term leases with a term of 12 months or less are not recorded on the balance sheet. For leases commencing or modified in 2019 or later, AbbVie does not separate lease components from non-lease components.

The company records lease liabilities based on the present value of lease payments over the lease term. AbbVie generally uses an incremental borrowing rate to discount its lease liabilities, as the rate implicit in the lease is typically not readily determinable. Certain lease agreements include renewal options that are under the company's control. AbbVie includes optional renewal periods in the lease term only when it is reasonably certain that AbbVie will exercise its option.

Variable lease payments include payments to lessors for taxes, maintenance, insurance and other operating costs as well as payments that are adjusted based on an index or rate. The company's lease agreements do not contain any significant residual value guarantees or restrictive covenants.

Litigation and Contingencies

Loss contingency provisions are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on existing information. When a best estimate cannot be made, the minimum loss contingency amount in a probable range is recorded. Legal fees are expensed as incurred. AbbVie accrues for product liability claims on an undiscounted basis. The liabilities are evaluated quarterly and adjusted if necessary as additional information becomes available. Receivables for insurance recoveries for product liability claims, if any, are recorded as assets on an undiscounted basis when it is probable that a recovery will be realized.

Business Combinations

AbbVie utilizes the acquisition method of accounting for business combinations. This method requires, among other things, that results of operations of acquired companies are included in AbbVie's results of operations beginning on the respective acquisition dates and that assets acquired and liabilities assumed are recognized at fair value as of the acquisition date. Any excess of the fair value of consideration transferred over the fair values of the net assets acquired is recognized as goodwill. Contingent consideration liabilities are recognized at the estimated fair value on the acquisition date. Subsequent changes to the fair value of contingent consideration liabilities are recognized in other expense, net in the consolidated statements of earnings. The fair value of assets acquired and liabilities assumed in certain cases may be subject to revision based on the final determination of fair value during a period of time not to exceed 12 months from the acquisition date. Legal costs, due diligence costs, business valuation costs and all other business acquisition costs are expensed when incurred.

Goodwill and Intangible Assets

Intangible assets acquired in a business combination are recorded at fair value using a discounted cash flow model. The discounted cash flow model requires assumptions about the timing and amount of future net cash flows, risk, the cost of capital and terminal values of market participants. Definite-lived intangibles are amortized over their estimated useful lives using the estimated pattern of economic benefit. AbbVie reviews the recoverability of definite-lived intangible assets whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. AbbVie first compares the projected undiscounted cash flows to be generated by the asset to its carrying value. If the undiscounted cash flows of an intangible asset are less than the carrying value, the intangible asset is written down to its fair value. Where cash flows cannot be identified for an individual asset, the review is applied at the lowest level for which cash flows are largely independent of the cash flows of other assets and liabilities.

Goodwill and indefinite-lived assets are not amortized, but are subject to an impairment review annually and more frequently when indicators of impairment exist. An impairment of goodwill could occur if the carrying amount of a reporting unit exceeded the fair value of that reporting unit. An impairment of indefinite-lived intangible assets would occur if the fair value of the intangible asset is less than the carrying value.

The company tests its goodwill for impairment by first assessing qualitative factors to determine whether it is more likely than not that the fair value is less than its carrying amount. If the company concludes it is more likely than not that the fair value of the reporting unit is less than its carrying amount, a quantitative impairment test is performed. AbbVie tests indefinite-lived intangible assets for impairment by first assessing qualitative factors to determine whether it is more likely than not that the fair value is less than its carrying amount. If the company concludes it is more likely than not that the fair value is less than its carrying amount, a quantitative impairment test is performed. For its quantitative impairment tests, the company uses an estimated future cash flow approach that requires significant judgment with respect to future volume, revenue and expense growth rates, changes in working capital use, the selection of an appropriate discount rate, asset groupings and other assumptions and estimates. The estimates and assumptions used are consistent with the company's business plans and a market participant's views. The use of alternative estimates and assumptions could increase or decrease

the estimated fair value of the assets and potentially result in different impacts to the company's results of operations. Actual results may differ from the company's estimates.

Acquired In-Process Research and Development

In an asset acquisition, the initial costs to acquire rights to IPR&D projects are expensed as IPR&D in the consolidated statements of earnings unless the project has an alternative future use. These costs include initial payments incurred prior to regulatory approval in connection with research and development collaboration agreements that provide rights to develop, manufacture, market and/or sell pharmaceutical products. In a business combination, the fair value of IPR&D projects acquired are capitalized and accounted for as indefinite-lived intangible assets until the underlying project receives regulatory approval, at which point the intangible asset will be accounted for as a definite-lived intangible asset, or discontinuation, at which point the intangible asset will be written off. R&D costs incurred after the acquisition are expensed as incurred.

Foreign Currency Translation

Foreign subsidiary earnings are translated into U.S. dollars using average exchange rates. The net assets of foreign subsidiaries are translated into U.S. dollars using period-end exchange rates. The U.S. dollar effects that arise from translating the net assets of these subsidiaries at changing rates are recognized in other comprehensive income (loss) in the consolidated statements of comprehensive income. The net assets of subsidiaries in highly inflationary economies are remeasured as if the functional currency were the reporting currency. The remeasurement is recognized in net foreign exchange loss in the consolidated statements of earnings.

Derivatives

All derivative instruments are recognized as either assets or liabilities at fair value on the consolidated balance sheets and are classified as current or long-term based on the scheduled maturity of the instrument.

For derivatives formally designated as hedges, the company assesses at inception and quarterly thereafter whether the hedging derivatives are highly effective in offsetting changes in the fair value or cash flows of the hedged item. The changes in fair value of a derivative designated as a fair value hedge and of the hedged item attributable to the hedged risk are recognized in earnings immediately. The effective portions of changes in the fair value of a derivative designated as a cash flow hedge are reported in AOCI and are subsequently recognized in earnings consistent with the underlying hedged item. If it is determined that a derivative is no longer highly effective as a hedge, the company discontinues hedge accounting prospectively. If a hedged forecasted transaction becomes probable of not occurring, any gains or losses are reclassified from AOCI to earnings. Derivatives that are not designated as hedges are adjusted to fair value through current earnings.

The company also uses derivative instruments or foreign currency denominated debt to hedge its net investments in certain foreign subsidiaries and affiliates. Realized and unrealized gains and losses from these hedges are included in AOCI.

Derivative cash flows, with the exception of net investment hedges, are principally classified in the operating section of the consolidated statements of cash flows, consistent with the underlying hedged item. Cash flows related to net investment hedges are classified in the investing section of the consolidated statements of cash flows.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

ASU No. 2019-12

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740)*. The standard includes simplifications related to accounting for income taxes including removing certain exceptions related to the approach for intraperiod tax allocation and the recognition of deferred tax liabilities for outside basis differences. The standard also clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. AbbVie adopted the standard in the first quarter of 2021. The adoption did not have a material impact on its consolidated financial statements.

Note 3 Supplemental Financial Information

Interest Expense, Net

years ended December 31 (in millions)	2021	2020	2019
Interest expense	\$ 2,423	\$ 2,454	\$ 1,784
Interest income	(39)	(174)	(275)
Interest expense, net	\$ 2,384	\$ 2,280	\$ 1,509

Accounts Payable and Accrued Liabilities

as of December 31 (in millions)	2021	2020
Sales rebates	\$ 8,254	\$ 7,188
Dividends payable	2,543	2,335
Accounts payable	2,882	2,276
Salaries, wages and commissions	1,785	1,669
Royalty and license arrangements	661	483
Other	6,574	6,208
Accounts payable and accrued liabilities	\$ 22,699	\$ 20,159

Other Long-Term Liabilities

as of December 31 (in millions)	2021	2020
Contingent consideration liabilities	\$ 13,638	\$ 12,289
Liabilities for unrecognized tax benefits	5,970	5,680
Income taxes payable	3,442	3,847
Pension and other post-employment benefits	3,153	3,413
Other	2,498	2,378
Other long-term liabilities	\$ 28,701	\$ 27,607

Note 4 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)	Years ended December 31,		
	2021	2020	2019
Basic EPS			
Net earnings attributable to AbbVie Inc.	\$ 11,542	\$ 4,616	\$ 7,882
Earnings allocated to participating securities	74	60	40
Earnings available to common shareholders	\$ 11,468	\$ 4,556	\$ 7,842
Weighted average basic shares of common stock outstanding	1,770	1,667	1,481
Basic earnings per share attributable to AbbVie Inc.	\$ 6.48	\$ 2.73	\$ 5.30
Diluted EPS			
Net earnings attributable to AbbVie Inc.	\$ 11,542	\$ 4,616	\$ 7,882
Earnings allocated to participating securities	74	60	40
Earnings available to common shareholders	\$ 11,468	\$ 4,556	\$ 7,842
Weighted average shares of common stock outstanding	1,770	1,667	1,481
Effect of dilutive securities	7	6	3
Weighted average diluted shares of common stock outstanding	1,777	1,673	1,484
Diluted earnings per share attributable to AbbVie Inc.	\$ 6.45	\$ 2.72	\$ 5.28

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 5 Licensing, Acquisitions and Other Arrangements

Acquisition of Allergan

On May 8, 2020, AbbVie completed its acquisition of all outstanding equity interests in Allergan in a cash and stock transaction. Allergan is a global pharmaceutical leader focused on developing, manufacturing and commercializing branded pharmaceutical, device, biologic, surgical and regenerative medicine products for patients around the world. The combination created a diverse entity with leadership positions across immunology, hematologic oncology, aesthetics, neuroscience, eye care and women's health. AbbVie's existing product portfolio and pipeline is enhanced with numerous Allergan assets and Allergan's product portfolio benefits from AbbVie's commercial strength, expertise and international infrastructure. Under the terms of the acquisition, each ordinary share of Allergan common stock was converted into the right to receive (i) \$120.30 in cash and (ii) 0.8660 of a share of AbbVie common stock.

Total consideration for the acquisition of Allergan is summarized as follows:

(in millions)	
Cash consideration paid to Allergan shareholders ^(a)	\$ 39,675
Fair value of AbbVie common stock issued to Allergan shareholders ^(b)	23,979
Fair value of AbbVie equity awards issued to Allergan equity award holders ^(c)	430
Total consideration	\$ 64,084

(a) Represents cash consideration transferred of \$120.30 per outstanding Allergan ordinary share based on 330 million Allergan ordinary shares outstanding at closing.

- (b) Represents the acquisition date fair value of 286 million shares of AbbVie common stock issued to Allergan shareholders based on the exchange ratio of 0.8660 AbbVie shares for each outstanding Allergan ordinary share at the May 8, 2020 closing price of \$83.96 per share.
- (c) Represents the pre-acquisition service portion of the fair value of 11 million AbbVie stock options and 8 million RSUs issued to Allergan equity award holders.

The acquisition of Allergan 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 was finalized during the second quarter of 2021. Measurement period adjustments to the preliminary purchase price allocation during 2021 included (i) an increase to intangible assets of \$710 million; (ii) an increase to deferred income tax liabilities of \$148 million; (iii) other individually insignificant adjustments for a net increase to identifiable net assets of \$2 million; and (iv) a corresponding decrease to goodwill of \$564 million. The measurement period adjustments primarily resulted from the completion of the valuation of certain license agreement intangible assets based on facts and circumstances that existed as of the acquisition date and did not result from intervening events subsequent to such date. These adjustments did not have a significant impact on AbbVie's results of operations in 2021 and would not have had a significant impact on prior period results if these adjustments had been made as of the acquisition date.

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

(in millions)

Assets acquired and liabilities assumed	
Cash and equivalents	\$ 1,537
Short-term investments	1,421
Accounts receivable	2,374
Inventories	2,340
Prepaid expenses and other current assets	1,982
Investments	137
Property and equipment	2,129
Intangible assets	
Definite-lived intangible assets	68,190
In-process research and development	1,600
Other noncurrent assets	1,395
Short-term borrowings	(60)
Current portion of long-term debt and finance lease obligations	(1,899)
Accounts payable and accrued liabilities	(5,852)
Long-term debt and finance lease obligations	(18,937)
Deferred income taxes	(3,940)
Other long-term liabilities	(4,765)
Total identifiable net assets	47,652
Goodwill	16,432
Total assets acquired and liabilities assumed	\$ 64,084

The fair value step-up adjustment to inventories of \$1.2 billion was amortized to cost of products sold when the inventory was sold to customers and was fully amortized as of December 31, 2021.

Intangible assets relate to \$68.2 billion of definite-lived intangible assets and \$1.6 billion of IPR&D. 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 twelve 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.

The fair value of long-term debt was determined by quoted market prices as of the acquisition date and the total purchase price adjustment of \$1.3 billion is being amortized as a reduction to interest expense, net over the lives of the related debt.

Goodwill was calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from the other assets acquired that could not be individually identified and separately recognized. Specifically, the goodwill recognized from the acquisition of Allergan represents the value of additional growth platforms and an expanded revenue base as well as anticipated operational synergies and cost savings from the creation of a single combined global organization. The goodwill is not deductible for tax purposes.

Following the acquisition date, the operating results of Allergan have been included in the consolidated financial statements. For the period from the acquisition date through December 31, 2020, net revenues attributable to Allergan were \$10.3 billion and operating losses attributable to Allergan were \$1.1 billion, inclusive of \$4.0 billion of intangible asset amortization and \$1.2 billion of inventory fair value step-up amortization.

Acquisition-related expenses, which were comprised primarily of regulatory, financial advisory and legal fees, totaled \$781 million for the year ended December 31, 2020 and \$103 million for the year ended December 31, 2019 which were included in SG&A expenses in the consolidated statements of earnings. In the fourth quarter of 2021, AbbVie recovered certain acquisition-related regulatory fees totaling \$401 million which was recorded as a reduction to SG&A expenses in the consolidated statement of earnings for the year ended December 31, 2021.

Pro Forma Financial Information

The following table presents the unaudited pro forma combined results of AbbVie and Allergan for 2020 and 2019 as if the acquisition of Allergan had occurred on January 1, 2019:

years ended December 31 (in millions)	2020	2019
Net revenues	\$ 50,521	\$ 49,028
Net earnings (loss)	6,746	(38)

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 Allergan. In order to reflect the occurrence of the acquisition on January 1, 2019 as required, the unaudited pro forma financial information includes adjustments to reflect incremental amortization expense to be incurred based on the final 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 year ended December 31, 2020 to the year ended December 31, 2019. 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, 2019. 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.

Acquisition of Soliton, Inc.

In December 2021, AbbVie completed its previously announced acquisition of Soliton, Inc. (Soliton). Soliton's RESONIC (Rapid Acoustic Pulse device) has U.S. Food and Drug Administration (FDA) 510(k) clearance for the long-term improvement in the appearance of cellulite up to one year. The transaction was accounted for as a business combination using the acquisition method of accounting. Total consideration transferred allocated to the purchase price consisted of cash consideration of \$535 million paid to holders of Soliton common stock, equity-based awards and warrants. As of the transaction date, AbbVie acquired \$407 million of intangible assets for developed product rights and assumed deferred tax liabilities totaling \$63 million. Other assets and liabilities were insignificant. The acquisition resulted in the recognition of \$177 million of goodwill which is not deductible for tax purposes.

Acquisition of Luminera

In October 2020, AbbVie entered into an agreement with Luminera, a privately held aesthetics company based in Israel, to acquire Luminera's full dermal filler portfolio and R&D pipeline including HArmonyCa, a dermal filler intended for facial soft tissue augmentation. The aggregate accounting purchase price of \$186 million was comprised of a \$122 million upfront cash payment and \$64 million for the acquisition date fair value of contingent consideration liabilities, for which AbbVie may owe up to \$90 million in future payments upon achievement of certain commercial milestones. The agreement was accounted for as a business combination using the acquisition method of accounting. As of the acquisition date, AbbVie acquired \$127 million of intangible assets for in-process research and development and \$33 million of intangible assets for developed

product rights. Other assets and liabilities assumed were insignificant. The acquisition resulted in the recognition of \$12 million of goodwill which is not deductible for tax purposes.

Other Licensing & Acquisitions Activity

Cash outflows related to other acquisitions and investments totaled \$1.4 billion in 2021, \$1.4 billion in 2020 and \$1.1 billion in 2019. AbbVie recorded acquired IPR&D charges of \$962 million in 2021, \$1.2 billion in 2020 and \$385 million in 2019. Significant arrangements impacting 2021, 2020 and 2019, some of which require contingent milestone payments, are summarized below.

Calico Life Sciences LLC

In July 2021, AbbVie and Calico Life Sciences LLC (Calico) entered into an extension of their collaboration to discover, develop and bring to market new therapies for patients with age-related diseases, including neurodegeneration and cancer. This is the second collaboration extension and builds on the partnership established in 2014 and extended in 2018. Under the terms of the agreement, AbbVie and Calico will each contribute an additional \$500 million and the term is extended for an additional three years. AbbVie's contribution is payable in two equal installments beginning in 2023. Calico will be responsible for research and early development until 2025 and will advance collaboration projects into Phase 2a through 2030. Following completion of the Phase 2a studies, AbbVie will have the option to exclusively license the collaboration compounds. Upon exercise, AbbVie would be responsible for late-stage development and commercial activities. Collaboration costs and profits will be shared equally by both parties post option exercise. During the third quarter of 2021, AbbVie recorded \$500 million as other operating expense in the consolidated statement of earnings related to its commitments under the agreement.

TeneoOne and TNB-383B

In September 2021, AbbVie acquired TeneoOne, an affiliate of TeneoBio, Inc., and TNB-383B, a BCMA-targeting immunotherapeutic for the potential treatment of relapsed or refractory multiple myeloma (R/R MM). In February 2019, AbbVie and TeneoOne entered a strategic transaction to develop and commercialize TNB-383B, a bispecific antibody that simultaneously targets BCMA and CD3 and is designed to direct the body's own immune system to target and kill BCMA-expressing tumor cells. AbbVie exercised its exclusive right to acquire TeneoOne and TNB-383B based on an interim analysis of an ongoing Phase 1 study and accounted for the transaction as an asset acquisition. Under the terms of the agreement, AbbVie made an exercise payment of \$400 million which was recorded to IPR&D in the consolidated statement of earnings in the third quarter of 2021. The agreement also included additional payments of up to \$250 million upon the achievement of certain development, regulatory and commercial milestones.

REGENXBIO Inc.

In September 2021, AbbVie and REGENXBIO Inc. (REGENXBIO) entered into a collaboration to develop and commercialize RGX-314, an investigational gene therapy for wet age-related macular degeneration, diabetic retinopathy and other chronic retinal diseases. The collaboration provides AbbVie with an exclusive global license to develop and commercialize RGX-314. REGENXBIO will be responsible for completion of ongoing trials, AbbVie and REGENXBIO will collaborate and share costs of additional trials, and AbbVie will lead the clinical development and commercialization of RGX-314 globally. REGENXBIO and AbbVie will share equally in pre-tax profits from net revenues of RGX-314 in the U.S. and AbbVie will pay REGENXBIO tiered royalties on net revenues outside the U.S. Upon closing in the fourth quarter of 2021, AbbVie made an upfront payment of \$370 million to exclusively license RGX-314 which was recorded to IPR&D in the consolidated statement of earnings for the year ended December 31, 2021. The agreement also included additional payments of up to \$1.4 billion upon the achievement of certain development, regulatory and commercial milestones.

I-Mab Biopharma

In September 2020, AbbVie and I-Mab Biopharma (I-Mab) entered into a collaboration agreement for the development and commercialization of lemparlimab, an anti-CD47 monoclonal antibody internally discovered and developed by I-Mab for the treatment of multiple cancers. Both companies will collaborate to design and conduct further global clinical trials to evaluate lemparlimab. The collaboration provides AbbVie an exclusive global license, excluding greater China, to develop and commercialize lemparlimab. The companies will share manufacturing responsibilities with AbbVie being the primary manufacturer for global supply. The agreement also allows for potential collaboration on future CD47-related therapeutic agents, subject to further licenses to explore each other's related programs in their respective territories. The terms of the arrangement include an initial upfront payment of \$180 million to exclusively license lemparlimab along with a milestone payment of \$20 million based on the Phase I results, for a total of \$200 million, which was recorded to IPR&D in the consolidated statement of earnings in the fourth quarter of 2020 after regulatory approval of the transaction. In addition, I-Mab will be eligible to receive up to \$1.7 billion upon the achievement of certain clinical development, regulatory and

commercial milestones, and AbbVie will pay tiered royalties from low-to-mid teen percentages on global net revenues outside of greater China.

Genmab A/S

In June 2020, AbbVie and Genmab A/S (Genmab) entered into a collaboration agreement to jointly develop and commercialize three of Genmab's early-stage investigational bispecific antibody therapeutics and entered into a discovery research collaboration for future differentiated antibody therapeutics for the treatment of cancer. Under the terms of the agreement, Genmab granted to AbbVie an exclusive license to its epcoritamab (DuoBody-CD3xCD20), DuoHexaBody-CD37 and DuoBody-CD3x5T4 programs. For epcoritamab, the companies will share commercial responsibilities in the U.S. and Japan, with AbbVie responsible for further global commercialization. Genmab will record net revenues in the U.S. and Japan, and the parties will share equally in pre-tax profits from these sales. Genmab will receive tiered royalties on remaining global sales. For the discovery research partnership, Genmab will conduct Phase 1 studies for these programs and AbbVie retains the right to opt-in to program development. During 2020, AbbVie made an upfront payment of \$750 million, which was recorded to IPR&D in the consolidated statement of earnings. AbbVie could make additional payments of up to \$3.2 billion upon the achievement of certain development, regulatory and commercial milestones for all programs.

Reata Pharmaceuticals, Inc.

In October 2019, AbbVie and Reata Pharmaceuticals, Inc. (Reata) entered into an amended and restated license agreement. Under the terms of the agreement, Reata reacquired exclusive development, manufacturing and commercialization rights concerning its proprietary Nrf2 activator product platform originally licensed to AbbVie for territories outside of the United States with respect to bardoxolone methyl and worldwide with respect to omaveloxolone and other next-generation Nrf2 activators. As consideration for the rights reacquired by Reata, AbbVie received a total of \$250 million as of December 31, 2020 and \$80 million in cash in 2021. Total consideration of \$330 million was recognized in other operating (income) expense in the consolidated statement of earnings in 2019. In addition, AbbVie will receive low single-digit, tiered royalties from worldwide sales of omaveloxolone and certain next-generation Nrf2 activators.

Other Arrangements

In addition to the significant arrangements described above, AbbVie entered into several other arrangements resulting in charges to IPR&D of \$192 million in 2021, \$248 million in 2020 and \$385 million in 2019. In connection with the other individually insignificant early-stage arrangements entered into in 2021, AbbVie could make additional payments of up to \$5.5 billion upon the achievement of certain development, regulatory and commercial milestones.

Note 6 Collaborations

The company has ongoing transactions with other entities through collaboration agreements. The following represent the significant collaboration agreements impacting 2021, 2020 and 2019.

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 (BTK) 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:

years ended December 31 (in millions)	2021	2020	2019
United States - Janssen's share of profits (included in cost of products sold)	\$ 2,018	\$ 2,012	\$ 1,803
International - AbbVie's share of profits (included in net revenues)	1,087	1,009	844
Global - AbbVie's share of other costs (included in respective line items)	304	295	321

AbbVie's receivable from Janssen, included in accounts receivable, net, was \$294 million at December 31, 2021 and \$283 million at December 31, 2020. AbbVie's payable to Janssen, included in accounts payable and accrued liabilities, was \$509 million at December 31, 2021 and \$562 million at December 31, 2020.

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 Venclexta, 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 Venclexta in the United States. AbbVie pays royalties on Venclexta net revenues outside the United States.

AbbVie manufactures and distributes Venclexta globally and is the principal in the end-customer product sales. Sales of Venclexta 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 R&D expenses, net of Genentech's share. Royalties paid for Venclexta 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:

years ended December 31 (in millions)	2021	2020	2019
Genentech's share of profits, including royalties (included in cost of products sold)	\$ 703	\$ 533	\$ 320
AbbVie's share of sales and marketing costs from U.S. collaboration (included in SG&A)	40	46	41
AbbVie's share of development costs (included in R&D)	140	129	128

Note 7 Goodwill and Intangible Assets

Goodwill

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

(in millions)			
Balance as of December 31, 2019		\$	15,604
Additions ^(a)			17,008
Foreign currency translation adjustments			512
Balance as of December 31, 2020			33,124
Additions ^(b)			177
Measurement period adjustments ^(c)			(564)
Foreign currency translation adjustments and other			(358)
Balance as of December 31, 2021		\$	32,379

- (a) Goodwill additions related to the acquisition of Allergan in the second quarter of 2020 and the acquisition of Luminera in the fourth quarter of 2020 (see Note 5).
- (b) Goodwill additions related to the acquisition of Soliton in the fourth quarter of 2021 (see Note 5).
- (c) Measurement period adjustments recorded in 2021 related to the acquisition of Allergan (see Note 5).

The company performs its annual goodwill impairment assessment in the third quarter, or earlier if impairment indicators exist. As of December 31, 2021, there were no accumulated goodwill impairment losses.

Intangible Assets, Net

The following table summarizes intangible assets:

as of December 31 (in millions)	2021			2020		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Definite-lived intangible assets						
Developed product rights	\$ 88,945	\$ (18,463)	\$ 70,482	\$ 87,707	\$ (11,620)	\$ 76,087
License agreements	8,487	(3,688)	4,799	7,828	(2,916)	4,912
Total definite-lived intangible assets	97,432	(22,151)	75,281	95,535	(14,536)	80,999
Indefinite-lived research and development	670	—	670	1,877	—	1,877
Total intangible assets, net	\$ 98,102	\$ (22,151)	\$ 75,951	\$ 97,412	\$ (14,536)	\$ 82,876

Definite-Lived Intangible Assets

The increase in definite-lived intangible assets during 2021 was primarily due to the measurement period adjustments from the completion of the valuation of certain license agreements acquired in the Allergan acquisition as well as the acquisition of Soliton. Refer to Note 5 for additional information regarding these acquisitions and related adjustments. In 2021, AbbVie also reclassified \$1.0 billion of indefinite-lived research and development intangible assets to developed product rights upon receiving certain regulatory approvals for Vuity, Qulipta, and HArmonyCa.

Definite-lived intangible assets are amortized over their estimated useful lives, which range between 1 to 16 years with an average of 12 years for developed product rights and 11 years for license agreements. Amortization expense was \$7.7 billion in 2021, \$5.8 billion in 2020 and \$1.6 billion in 2019 and was included in cost of products sold in the consolidated statements of earnings. The anticipated annual amortization expense for definite-lived intangible assets recorded as of December 31, 2021 is as follows:

(in billions)	2022	2023	2024	2025	2026
Anticipated annual amortization expense	\$ 7.2	\$ 7.5	\$ 8.0	\$ 8.4	\$ 7.9

Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets represent acquired IPR&D associated with products that have not yet received regulatory approval. Indefinite-lived intangible assets as of December 31, 2021 primarily relate to the acquisition of Allergan.

The company performs its annual impairment assessment of indefinite-lived intangible assets in the third quarter, or earlier if impairment indicators exist.

In 2019, following the announcement of the decision to terminate the rovalpituzumab tesirine (Rova-T) R&D program, the company recorded an impairment charge of \$1.0 billion which represented the remaining value of the IPR&D acquired as part of the 2016 Stemcentrx acquisition. The impairment charge was recorded to R&D expense in the consolidated statements of earnings in 2019.

Note 8 Integration and Restructuring Plans

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. To achieve these integration objectives, AbbVie expects to incur total cumulative charges of approximately \$2 billion of charges through 2022. These costs will consist 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 following table summarizes the charges associated with the Allergan acquisition integration plan:

year ended December 31 (in millions)	Severance and employee benefits		Other integration	
	2021	2020	2021	2020
Cost of products sold	\$ 5	\$ 109	\$ 127	\$ 21
Research and development	—	199	102	177
Selling, general and administrative	64	388	289	237
Total charges	\$ 69	\$ 696	\$ 518	\$ 435

The following table summarizes the cash activity in the recorded liability associated with the integration plan:

year ended December 31 (in millions)	Severance and employee benefits	Other integration
Charges	\$ 594	\$ 435
Payments and other adjustments	(227)	(415)
Accrued balance as of December 31, 2020	\$ 367	\$ 20
Charges	65	461
Payments and other adjustments	(210)	(448)
Accrued balance as of December 31, 2021	\$ 222	\$ 33

Other Restructuring

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. In 2021, 2020 and 2019, no such plans were individually significant. Restructuring charges recorded were \$59 million in 2021, \$60 million in 2020 and \$234 million in 2019 and were primarily related to employee severance and contractual obligations. These charges were recorded in cost of products sold, R&D expense and SG&A expenses in the consolidated statements of earnings based on the classification of the affected employees or operations.

The following table summarizes the cash activity in the restructuring reserve for 2021, 2020 and 2019:

(in millions)	
Accrued balance as of December 31, 2018	\$ 99
Restructuring charges	219
Payments and other adjustments	(178)
Accrued balance as of December 31, 2019	140
Restructuring charges	58
Payments and other adjustments	(108)
Accrued balance as of December 31, 2020	90
Restructuring charges	54
Payments and other adjustments	(111)
Accrued balance as of December 31, 2021	\$ 33

Note 9 Leases

AbbVie's lease portfolio primarily consists of real estate properties, vehicles and equipment. The following table summarizes the amounts and location of operating and finance leases on the consolidated balance sheets:

as of December 31 (in millions)	Balance sheet caption	2021		2020	
Assets					
Operating	Other assets	\$	762	\$	895
Finance	Property and equipment, net		33		27
Total lease assets		\$	795	\$	922
Liabilities					
Operating					
Current	Accounts payable and accrued liabilities	\$	178	\$	175
Noncurrent	Other long-term liabilities		713		832
Finance					
Current	Current portion of long-term debt and finance lease obligations		9		8
Noncurrent	Long-term debt and finance lease obligations		25		21
Total lease liabilities		\$	925	\$	1,036

The following table summarizes the lease costs recognized in the consolidated statements of earnings:

years ended December 31 (in millions)	2021		2020		2019	
Operating lease cost	\$	226	\$	192	\$	124
Short-term lease cost		56		59		34
Variable lease cost		71		60		62
Total lease cost	\$	353	\$	311	\$	220

Sublease income and finance lease costs were insignificant in 2021, 2020 and 2019.

The following table presents the weighted-average remaining lease term and weighted-average discount rate for operating and finance leases:

years ended December 31	2021		2020		2019	
Weighted-average remaining lease term (years)						
Operating		7		8		5
Finance		3		3		3
Weighted-average discount rate						
Operating	2.4	%	2.5	%	3.9	%
Finance	1.1	%	1.4	%	3.9	%

The following table presents supplementary cash flow information regarding the company's leases:

years ended December 31 (in millions)	2021		2020		2019	
Cash paid for amounts included in the measurement of lease liabilities						
Operating cash flows from operating leases	\$	236	\$	185	\$	125
Right-of-use assets obtained in exchange for new operating lease liabilities		66		692		26

Finance lease cash flows were insignificant in 2021, 2020 and 2019. Right-of-use assets obtained in exchange for new operating lease liabilities as of December 31, 2020 included \$453 million of right-of-use assets acquired in the Allergan acquisition.

The following table summarizes the future maturities of AbbVie's operating and finance lease liabilities as of December 31, 2021:

(in millions)	Operating leases		Finance leases		Total ^(a)
2022	\$	179	\$	9	\$ 188
2023		162		9	171
2024		126		7	133
2025		105		5	110
2026		91		9	100
Thereafter		317		—	317
Total lease payments		980		39	1,019
Less: Interest		89		5	94
Present value of lease liabilities	\$	891	\$	34	\$ 925

(a) Lease payments recognized as part of lease liabilities for optional renewal periods are insignificant.

Note 10 Debt, Credit Facilities and Commitments and Contingencies

The following table summarizes long-term debt:

as of December 31 (dollars in millions)	Effective interest rate in 2021 ^(a)	2021	Effective interest rate in 2020 ^(a)	2020
Senior notes issued in 2012				
2.90% notes due 2022	2.97 %	\$ 3,100	2.97 %	\$ 3,100
4.40% notes due 2042	4.46 %	2,600	4.46 %	2,600
Senior notes issued in 2015				
3.20% notes due 2022	3.28 %	1,000	3.28 %	1,000
3.60% notes due 2025	3.66 %	3,750	3.66 %	3,750
4.50% notes due 2035	4.58 %	2,500	4.58 %	2,500
4.70% notes due 2045	4.73 %	2,700	4.73 %	2,700
Senior notes issued in 2016				
2.30% notes due 2021	2.40 %	—	2.40 %	1,800
2.85% notes due 2023	2.91 %	1,000	2.91 %	1,000
3.20% notes due 2026	3.28 %	2,000	3.28 %	2,000
4.30% notes due 2036	4.37 %	1,000	4.37 %	1,000
4.45% notes due 2046	4.50 %	2,000	4.50 %	2,000
Senior Euro notes issued in 2016				
1.375% notes due 2024 (€1,450 principal)	1.46 %	1,643	1.46 %	1,783
2.125% notes due 2028 (€750 principal)	2.18 %	850	2.18 %	922
Senior notes issued in 2018				
3.375% notes due 2021	3.51 %	—	3.51 %	1,250
3.75% notes due 2023	3.84 %	1,250	3.84 %	1,250
4.25% notes due 2028	4.38 %	1,750	4.38 %	1,750
4.875% notes due 2048	4.94 %	1,750	4.94 %	1,750
Senior Euro notes issued in 2019				
0.75% notes due 2027 (€750 principal)	0.86 %	850	0.86 %	922
1.25% notes due 2031 (€650 principal)	1.30 %	737	1.30 %	799
Senior notes issued in 2019				
Floating rate notes due May 2021	0.74 %	—	1.33 %	750
Floating rate notes due November 2021	0.78 %	—	1.42 %	750
Floating rate notes due 2022	0.99 %	750	1.62 %	750
2.15% notes due 2021	2.23 %	—	2.23 %	1,750
2.30% notes due 2022	2.42 %	3,000	2.42 %	3,000
2.60% notes due 2024	2.69 %	3,750	2.69 %	3,750
2.95% notes due 2026	3.02 %	4,000	3.02 %	4,000
3.20% notes due 2029	3.25 %	5,500	3.25 %	5,500
4.05% notes due 2039	4.11 %	4,000	4.11 %	4,000
4.25% notes due 2049	4.29 %	5,750	4.29 %	5,750
Term loan facilities				
Floating rate notes due 2023	1.23 %	—	1.29 %	1,000
Floating rate notes due 2023	0.81 %	1,000	— %	—
Floating rate notes due 2025	1.36 %	2,000	1.42 %	2,000

as of December 31 (dollars in millions)	Effective interest rate in 2021 ^(a)	2021	Effective interest rate in 2020 ^(a)	2020
Senior notes acquired in 2020				
5.000% notes due 2021	1.53 %	—	1.53 %	1,200
3.450% notes due 2022	1.97 %	2,878	1.97 %	2,878
3.250% notes due 2022	1.92 %	1,700	1.92 %	1,700
2.800% notes due 2023	2.13 %	350	2.13 %	350
3.850% notes due 2024	2.07 %	1,032	2.07 %	1,032
3.800% notes due 2025	2.09 %	3,021	2.09 %	3,021
4.550% notes due 2035	3.52 %	1,789	3.52 %	1,789
4.625% notes due 2042	4.00 %	457	4.00 %	457
4.850% notes due 2044	4.11 %	1,074	4.11 %	1,074
4.750% notes due 2045	4.20 %	881	4.20 %	881
Senior Euro notes acquired in 2020				
0.500% notes due 2021 (€750 principal)	0.72 %	—	0.72 %	922
1.500% notes due 2023 (€500 principal)	0.49 %	567	0.49 %	615
1.250% notes due 2024 (€700 principal)	0.65 %	793	0.65 %	861
2.625% notes due 2028 (€500 principal)	1.20 %	567	1.20 %	615
2.125% notes due 2029 (€550 principal)	1.19 %	623	1.19 %	677
Other		33		29
Fair value hedges		102		278
Unamortized bond discounts		(130)		(146)
Unamortized deferred financing costs		(251)		(287)
Unamortized bond premiums ^(b)		954		1,200
Total long-term debt and finance lease obligations		76,670		86,022
Current portion		12,481		8,468
Noncurrent portion		\$ 64,189		\$ 77,554

(a) Excludes the effect of any related interest rate swaps.

(b) Represents unamortized purchase price adjustments of Allergan debt.

In April 2021, the company repaid \$1.8 billion aggregate principal amount of 2.3% senior notes that were scheduled to mature in May 2021. In May 2021, the company repaid €750 million aggregate principal amount of 0.5% senior Euro notes that were scheduled to mature in June 2021. These repayments were made by exercising, under the terms of the notes, 30-day early redemptions at 100% of the principal amounts. The company also repaid \$750 million aggregate principal amount of floating rate senior notes at maturity in May 2021.

In September 2021, the company refinanced its \$1.0 billion floating rate three-year term loan. As part of the refinancing, the company repaid the existing \$1.0 billion term loan due May 2023 and borrowed \$1.0 billion under a new term loan at a lower floating rate. All other significant terms of the loan, including the maturity date, remained unchanged after the refinancing.

In September 2021, the company repaid \$1.2 billion aggregate principal amount of 5.0% senior notes that were scheduled to mature in December 2021. This repayment was made by exercising, under the terms of the notes, 90-day early redemption at 100% of the principal amount.

In November 2021, the company repaid \$1.3 billion aggregate principal amount of 3.375% senior notes and \$1.8 billion aggregate principal amount of 2.15% senior notes at maturity. The company also repaid \$750 million aggregate principal amount of floating rate senior notes at maturity in November 2021.

In January 2022, the company repaid \$2.9 billion aggregate principal amount of 3.450% senior notes that were scheduled to mature in March 2022. This repayment was made by exercising, under the terms of the notes, 60-day early redemption at 100% of the principal amount.

In connection with the acquisition of Allergan, in May 2020, the company borrowed \$3.0 billion under a \$6.0 billion term loan credit agreement, of which \$1.0 billion was outstanding under a floating rate three-year term loan tranche and \$2.0 billion outstanding under a floating rate five-year term loan tranche as of December 31, 2021. Subsequent to these borrowings, AbbVie terminated the unused commitments of the lenders under the term loan.

In May 2020, AbbVie completed its previously announced offers to exchange any and all outstanding notes of certain series issued by Allergan for new notes to be issued by AbbVie and cash. Following the settlement of the exchange offers, AbbVie issued \$14.0 billion and €3.1 billion of new notes in exchange for the Allergan notes tendered in the exchange offers. The aggregate principal amount of Allergan notes that remained outstanding following the settlement of the exchange offers was approximately \$1.5 billion and €635 million. The exchange transaction was accounted for as a modification of the assumed debt instruments.

In May 2020, the company repaid \$3.8 billion aggregate principal amount of 2.5% senior notes at maturity.

In September 2020, the company repaid \$650 million aggregate principal amount of 3.375% senior notes at maturity.

In November 2020, the company repaid €700 million aggregate principal amount of floating rate senior Euro notes at maturity and \$450 million aggregate principal amount of 4.875% senior notes due February 2021 three months prior to maturity.

In September 2019, the company issued €1.4 billion aggregate principal amount of unsecured senior Euro notes. These senior notes rank equally with all other unsecured and unsubordinated indebtedness of the company. AbbVie may redeem the senior notes prior to maturity at a redemption price equal to the principal amount of the senior notes redeemed plus a make-whole premium and may redeem the senior notes at par between one and three months prior to maturity. In connection with the offering, debt issuance costs incurred totaled \$9 million and debt discounts totaled \$5 million and are being amortized over the respective terms of the notes to interest expense, net in the consolidated statements of earnings. In October 2019, the company used the proceeds to redeem €1.4 billion aggregate principal amount of 0.375% senior Euro notes that were due to mature in November 2019.

In November 2019, the company issued \$30.0 billion aggregate principal amount of unsecured senior notes. These senior notes rank equally with all other unsecured and unsubordinated indebtedness of the company. 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. With exception of the fixed-rate notes due 2021 and 2022, 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 \$173 million and debt discounts totaled \$52 million, which are being amortized over the respective terms of the notes to interest expense, net in the consolidated statements of earnings. AbbVie used the net proceeds to fund a portion of the aggregate cash consideration due to Allergan shareholders in connection with the acquisition described in Note 5 and to pay related fees and expenses.

AbbVie has outstanding \$4.8 billion aggregate principal amount of unsecured senior notes which were issued in 2018. AbbVie may redeem the senior notes prior to maturity at a redemption price equal to the principal amount of the senior notes redeemed plus a make-whole premium and AbbVie may redeem the senior notes at par between one month and six months prior to maturity.

AbbVie has outstanding €2.2 billion aggregate principal amount of unsecured senior Euro notes which were issued in 2016. AbbVie may redeem the senior notes prior to maturity at a redemption price equal to the principal amount of the senior notes redeemed plus a make-whole premium and AbbVie may redeem the senior notes at par between one and three months prior to maturity.

AbbVie has outstanding \$6.0 billion aggregate principal amount of unsecured senior notes which were issued in 2016 and \$10.0 billion aggregate principal amount of unsecured senior notes which were issued in 2015. AbbVie may redeem the senior notes, at any time, prior to maturity at a redemption price equal to the principal amount of the senior notes redeemed plus a make-whole premium and AbbVie may redeem the senior notes at par between one and six months prior to maturity.

AbbVie has outstanding \$5.7 billion aggregate principal amount of unsecured senior notes which were issued in 2012. AbbVie may redeem all of the senior notes of each series, at any time, or some of the senior notes of each series, from time to time, at a redemption price equal to the principal amount of the senior notes redeemed plus a make-whole premium.

At December 31, 2021, the company was in compliance with its senior note covenants and term loan covenants.

Short-Term Borrowings

There were no commercial paper borrowings outstanding as of December 31, 2021 and December 31, 2020. No commercial paper borrowings were issued during 2021. The weighted-average interest rate on commercial paper borrowings was 1.8% in 2020 and 2.5% in 2019.

In August 2019, AbbVie entered into an amended and restated \$4.0 billion five-year revolving credit facility that matures in August 2024. This amended facility enables the company to borrow funds on an unsecured basis at variable interest rates and contains various covenants, all of which the company was in compliance with as of December 31, 2021. Commitment fees under AbbVie's revolving credit facilities were insignificant in 2021, 2020 and 2019. No amounts were outstanding under the company's credit facilities as of December 31, 2021 and December 31, 2020.

In March 2019, AbbVie repaid a \$3.0 billion 364-day term loan credit agreement that was drawn on in June 2018 and was scheduled to mature in June 2019.

Maturities of Long-Term Debt

The following table summarizes AbbVie's debt maturities as of December 31, 2021:

as of and for the years ending December 31 (in millions)

2022	\$	12,428
2023		4,167
2024		7,219
2025		8,771
2026		6,000
Thereafter		37,377
Total obligations and commitments		75,962
Fair value hedges, unamortized bond premiums and discounts, deferred financing costs and finance lease obligations		708
Total long-term debt and finance lease obligations	\$	76,670

Contingencies and Guarantees

In connection with the separation, AbbVie has indemnified Abbott for all liabilities resulting from the operation of AbbVie's business other than income tax liabilities with respect to periods prior to the distribution date and other liabilities as agreed to by AbbVie and Abbott. AbbVie has no material exposures to off-balance sheet arrangements and no special-purpose entities. In the ordinary course of business, AbbVie has periodically entered into third-party agreements, such as the assignment of product rights, which have resulted in AbbVie becoming secondarily liable for obligations for which AbbVie had previously been primarily liable. Based upon past experience, the likelihood of payments under these agreements is remote.

Note 11 Financial Instruments and Fair Value Measures

Risk Management Policy

The company is exposed to foreign currency exchange rate and interest rate risks related to its business operations. AbbVie's hedging policy attempts to manage these risks to an acceptable level based on the company's judgment of the appropriate trade-off between risk, opportunity and costs. The company uses derivative and nonderivative instruments to reduce its exposure to foreign currency exchange rates. AbbVie also periodically enters into interest rate swaps in which the company agrees to exchange, at specified intervals, the difference between fixed and floating interest amounts calculated by reference to an agreed-upon notional amount. Derivative instruments are not used for trading purposes or to manage exposure to changes in interest rates for investment securities, and none of the company's outstanding derivative instruments contain credit risk related contingent features; collateral is generally not required.

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 December 31, 2021 and \$1.5 billion at December 31, 2020, 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 December 31, 2021 will be reclassified from 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 the third quarter of 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 November 2019 resulting in a pre-tax gain of \$383 million recognized in other comprehensive income (loss). This gain is reclassified to interest expense, net over the term of the related debt.

The company is a party to interest rate swap contracts designed as cash flow hedges with notional amounts totaling \$750 million at December 31, 2021 and \$2.3 billion at December 31, 2020. The effect of the hedge contracts is to change a floating-rate interest obligation to a fixed rate for that portion of the floating-rate debt. Realized and unrealized gains or losses are included in AOCI and are reclassified to interest expense, net over the lives of the floating-rate 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 loss in the 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 \$8.2 billion at December 31, 2021 and \$8.6 billion at December 31, 2020.

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 €5.9 billion at December 31, 2021 and €6.6 billion at December 31, 2020. In addition, the company had foreign currency forward exchange contracts designated as net investment hedges with notional amounts totaling €4.3 billion at December 31, 2021 and €971 million at December 31, 2020. 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 \$4.5 billion at December 31, 2021 and \$4.8 billion at December 31, 2020. 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 consolidated balance sheets:

as of December 31 (in millions)	Fair value - Derivatives in asset position			Fair value - Derivatives in liability position		
	Balance sheet caption	2021	2020	Balance sheet caption	2021	2020
Foreign currency forward exchange contracts						
Designated as cash flow hedges	Prepaid expenses and other	\$ 51	\$ 2	Accounts payable and accrued liabilities	\$ 2	\$ 82
Designated as cash flow hedges	Other assets	—	—	Other long-term liabilities	—	6
Designated as net investment hedges	Prepaid expenses and other	149	—	Accounts payable and accrued liabilities	—	11
Designated as net investment hedges	Other assets	15	—	Other long-term liabilities	—	—
Not designated as hedges	Prepaid expenses and other	26	49	Accounts payable and accrued liabilities	13	33
Interest rate swap contracts						
Designated as cash flow hedges	Prepaid expenses and other	—	—	Accounts payable and accrued liabilities	7	14
Designated as cash flow hedges	Other assets	—	—	Other long-term liabilities	—	20
Designated as fair value hedges	Prepaid expenses and other	—	7	Accounts payable and accrued liabilities	—	—
Designated as fair value hedges	Other assets	26	131	Other long-term liabilities	15	—
Total derivatives		\$ 267	\$ 189		\$ 37	\$ 166

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

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

years ended in December 31 (in millions)	2021	2020	2019
Foreign currency forward exchange contracts			
Designated as cash flow hedges	\$ 82	\$ (71)	\$ (5)
Designated as net investment hedges	341	(95)	33
Interest rate swap contracts designated as cash flow hedges	2	(53)	4
Treasury rate lock agreements designated as cash flow hedges	—	—	383

Assuming market rates remain constant through contract maturities, the company expects to reclassify pre-tax gains of \$65 million into cost of products sold for foreign currency cash flow hedges, pre-tax losses of \$7 million into interest expense, net for interest rate swap cash flow hedges and pre-tax gains of \$24 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 income (loss) pre-tax gains of \$577 million in 2021, pre-tax losses of \$907 million in 2020 and pre-tax gains of \$90 million in 2019.

The following table summarizes the pre-tax amounts and location of derivative instrument net gains (losses) recognized in the consolidated statements of earnings, including the net gains (losses) reclassified out of AOCI into net earnings. See Note 13 for the amount of net gains (losses) reclassified out of AOCI.

years ended December 31 (in millions)	Statement of earnings caption	2021	2020	2019
Foreign currency forward exchange contracts				
Designated as cash flow hedges	Cost of products sold	\$ (87)	\$ 23	\$ 167
Designated as net investment hedges	Interest expense, net	26	18	27
Not designated as hedges	Net foreign exchange loss	(100)	58	(70)
Treasury rate lock agreements designated as cash flow hedges				
Interest rate swap contracts	Interest expense, net	24	24	3
Designated as cash flow hedges	Interest expense, net	(24)	(17)	1
Designated as fair value hedges	Interest expense, net	(127)	365	418
Debt designated as hedged item in fair value hedges	Interest expense, net	127	(365)	(418)

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 consolidated balance sheet as of December 31, 2021:

(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)
Assets				
Cash and equivalents	\$ 9,746	\$ 4,451	\$ 5,295	\$ —
Money market funds and time deposits	45	—	45	—
Debt securities	46	—	46	—
Equity securities	121	100	21	—
Interest rate swap contracts	26	—	26	—
Foreign currency contracts	241	—	241	—
Total assets	\$ 10,225	\$ 4,551	\$ 5,674	\$ —
Liabilities				
Interest rate swap contracts	\$ 22	\$ —	\$ 22	\$ —
Foreign currency contracts	15	—	15	—
Contingent consideration	14,887	—	—	14,887
Total liabilities	\$ 14,924	\$ —	\$ 37	\$ 14,887

The following table summarizes the bases used to measure certain assets and liabilities carried at fair value on a recurring basis on the consolidated balance sheet as of December 31, 2020:

(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)
Assets				
Cash and equivalents	\$ 8,449	\$ 2,758	\$ 5,691	\$ —
Money market funds and time deposits	12	—	12	—
Debt securities	50	—	50	—
Equity securities	159	149	10	—
Interest rate swap contracts	138	—	138	—
Foreign currency contracts	51	—	51	—
Total assets	\$ 8,859	\$ 2,907	\$ 5,952	\$ —
Liabilities				
Interest rate swap contracts	\$ 34	\$ —	\$ 34	\$ —
Foreign currency contracts	132	—	132	—
Contingent consideration	12,997	—	—	12,997
Total liabilities	\$ 13,163	\$ —	\$ 166	\$ 12,997

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:

years ended December 31 (in millions)	2021		2020	
	Range	Weighted Average ^(a)	Range	Weighted Average ^(a)
Discount rate	0.2% - 2.6%	1.7%	0.1% - 2.2%	1.1 %
Probability of payment for unachieved milestones	89% - 100%	90%	56% - 92%	64 %
Probability of payment for royalties by indication ^(b)	56% - 100%	96%	56% - 100%	91 %
Projected year of payments	2022 - 2034	2027	2021 - 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 ranged from 56% to 89% at December 31, 2021 and 56% to 89% at December 31, 2020.

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 contingent consideration liabilities which are measured using Level 3 inputs:

years ended December 31 (in millions)	2021		2020		2019	
Beginning balance	\$	12,997	\$	7,340	\$	4,483
Additions ^(a)		—		225		—
Change in fair value recognized in net earnings		2,679		5,753		3,091
Payments		(789)		(321)		(234)
Ending balance	\$	14,887	\$	12,997	\$	7,340

(a) Additions during the year ended December 31, 2020 represent contingent consideration liabilities assumed in the Allergan acquisition as well as contingent consideration resulting from the Luminera acquisition (see Note 5).

The change in fair value recognized in net earnings is recorded in other expense, net in the consolidated statements of earnings. During the year-ended December 31, 2021, the company recorded a \$2.7 billion increase in the Skyrizi contingent consideration liability due to higher estimated sales driven by stronger market share uptake, favorable clinical trial results and the passage of time, partially offset by higher discount rates. During the year-ended December 31, 2020, the company recorded a \$5.7 billion increase in the Skyrizi contingent consideration liability due to higher estimated future sales driven by stronger market share uptake, lower discount rates, the passage of time and favorable clinical trial results. During the second quarter of 2019, the company recorded a \$2.3 billion increase in the Skyrizi contingent consideration liability due to higher probabilities of success, higher estimated future sales and lower discount rates. The higher probabilities of success resulted from the April 2019 regulatory approvals of Skyrizi for the treatment of moderate to severe plaque psoriasis. During the third quarter of 2019, the company recorded a \$91 million decrease in the Stemcentrx contingent consideration liability due to the termination of the Rova-T R&D program.

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 December 31, 2021 are shown in the table below:

(in millions)	Book value	Approximate fair values	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)
Liabilities					
Short-term borrowings	\$ 14	\$ 14	\$ —	\$ 14	\$ —
Current portion of long-term debt and finance lease obligations, excluding fair value hedges	12,455	11,830	11,329	501	—
Long-term debt and finance lease obligations, excluding fair value hedges	64,113	71,810	70,757	1,053	—
Total liabilities	\$ 76,582	\$ 83,654	\$ 82,086	\$ 1,568	\$ —

The book values, approximate fair values and bases used to measure the approximate fair values of certain financial instruments as of December 31, 2020 are shown in the table below:

(in millions)	Book value	Approximate fair values	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)
Liabilities					
Short-term borrowings	\$ 34	\$ 34	\$ —	\$ 34	\$ —
Current portion of long-term debt and finance lease obligations, excluding fair value hedges	\$ 8,461	\$ 8,542	\$ 8,249	\$ 293	\$ —
Long-term debt and finance lease obligations, excluding fair value hedges	77,283	87,761	86,137	1,624	—
Total liabilities	\$ 85,778	\$ 96,337	\$ 94,386	\$ 1,951	\$ —

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 \$149 million as of December 31, 2021 and \$102 million as of December 31, 2020. No significant cumulative upward or downward adjustments have been recorded for these investments as of December 31, 2021.

Concentrations of Risk

Of total net accounts receivable, three U.S. wholesalers accounted for 75% as of December 31, 2021 and 72% as of December 31, 2020, and substantially all of AbbVie's pharmaceutical product net revenues in the United States were to these three wholesalers.

Humira (adalimumab) is AbbVie's single largest product and accounted for approximately 37% of AbbVie's total net revenues in 2021, 43% in 2020 and 58% in 2019.

Note 12 Post-Employment Benefits

AbbVie sponsors various pension and other post-employment benefit plans, including defined benefit, defined contribution and termination indemnity plans, which cover most employees worldwide. In addition, AbbVie provides medical benefits, primarily to eligible retirees in the United States and Puerto Rico, through other post-retirement benefit plans. Net obligations for these plans have been reflected on the consolidated balance sheets as of December 31, 2021 and 2020.

The following table summarizes benefit plan information for the global AbbVie-sponsored defined benefit and other post-employment plans:

as of and for the years ended December 31 (in millions)	Defined benefit plans		Other post-employment plans	
	2021	2020	2021	2020
Projected benefit obligations				
Beginning of period	\$ 11,792	\$ 8,646	\$ 795	\$ 1,050
Service cost	440	370	48	42
Interest cost	237	264	19	34
Employee contributions	2	2	—	—
Amendments	—	—	—	(397)
Actuarial (gain) loss	(8)	1,105	10	40
Benefits paid	(281)	(249)	(22)	(17)
Acquisition	—	1,409	—	43
Other, primarily foreign currency translation adjustments	(176)	245	—	—
End of period	12,006	11,792	850	795
Fair value of plan assets				
Beginning of period	9,702	7,116	—	—
Actual return on plan assets	1,000	979	—	—
Company contributions	376	367	22	17
Employee contributions	2	2	—	—
Benefits paid	(281)	(249)	(22)	(17)
Acquisition	—	1,296	—	—
Other, primarily foreign currency translation adjustments	(144)	191	—	—
End of period	10,655	9,702	—	—
Funded status, end of period	\$ (1,351)	\$ (2,090)	\$ (850)	\$ (795)
Amounts recognized on the consolidated balance sheets				
Other assets	\$ 991	\$ 563	\$ —	\$ —
Accounts payable and accrued liabilities	(13)	(12)	(26)	(23)
Other long-term liabilities	(2,329)	(2,641)	(824)	(772)
Net obligation	\$ (1,351)	\$ (2,090)	\$ (850)	\$ (795)
Actuarial loss, net	\$ 3,504	\$ 4,163	\$ 461	\$ 482
Prior service cost (credit)	5	8	(370)	(408)
Accumulated other comprehensive loss	\$ 3,509	\$ 4,171	\$ 91	\$ 74

The projected benefit obligations in the table above included \$3.2 billion at December 31, 2021 and \$3.5 billion at December 31, 2020, related to international defined benefit plans.

For plans reflected in the table above, the accumulated benefit obligations were \$10.5 billion at December 31, 2021 and December 31, 2020.

Information For Pension Plans With An Accumulated Benefit Obligation In Excess Of Plan Assets

as of December 31 (in millions)	2021		2020	
Accumulated benefit obligation	\$	6,395	\$	7,527
Fair value of plan assets		5,412		6,066

Information For Pension Plans With A Projected Benefit Obligation In Excess Of Plan Assets

as of December 31 (in millions)	2021		2020	
Projected benefit obligation	\$	7,788	\$	8,719
Fair value of plan assets		5,447		6,066

The 2021 actuarial gain of \$8 million for qualified pension plans and actuarial loss of \$10 million for other post-employment plans were primarily driven by an increase in the assumed discount rate offset by change in demographic assumptions from 2020. The 2020 actuarial losses of \$1.1 billion for qualified pension plans and \$40 million for other post-employment plans were primarily driven by a decrease in the assumed discount rate from 2019.

AbbVie's U.S. pension plan was modified to close the plan to new entrants effective January 1, 2022. In addition, a change to AbbVie's U.S. retiree health benefit plan was approved in 2020 and communicated to employees and retirees in October 2020. Beginning in 2022, Medicare-eligible retirees and Medicare-eligible dependents will choose health care coverage from insurance providers through a private Medicare exchange. AbbVie will continue to provide financial support to Medicare-eligible retirees. This change to the U.S. retiree health benefit plan decreased AbbVie's post-employment benefit obligation and increased AbbVie's unrecognized prior service credit as of December 31, 2020 by \$397 million.

In connection with the Allergan acquisition, AbbVie assumed certain post-employment benefit obligations which were recorded at fair value. Upon acquisition in the second quarter of 2020, the excess of projected benefit obligations over the plan assets was recognized as a liability totaling \$156 million.

Amounts Recognized in Other Comprehensive Income (Loss)

The following table summarizes the pre-tax losses (gains) included in other comprehensive income (loss):

years ended December 31 (in millions)	2021	2020	2019
Defined benefit plans			
Actuarial loss (gain)	\$ (345)	\$ 701	\$ 1,231
Amortization of prior service cost	(2)	(2)	—
Amortization of actuarial loss	(288)	(227)	(109)
Foreign exchange loss (gain) and other	(27)	56	(6)
Total loss (gain)	\$ (662)	\$ 528	\$ 1,116
Other post-employment plans			
Actuarial loss	\$ 10	\$ 40	\$ 451
Prior service credit	—	(397)	—
Amortization of prior service credit	39	4	—
Amortization of actuarial loss	(32)	(26)	(1)
Total loss (gain)	\$ 17	\$ (379)	\$ 450

Net Periodic Benefit Cost

years ended December 31 (in millions)	2021	2020	2019
Defined benefit plans			
Service cost	\$ 440	\$ 370	\$ 269
Interest cost	237	264	259
Expected return on plan assets	(663)	(575)	(474)
Amortization of prior service cost	2	2	—
Amortization of actuarial loss	288	227	109
Net periodic benefit cost	\$ 304	\$ 288	\$ 163
Other post-employment plans			
Service cost	\$ 48	\$ 42	\$ 25
Interest cost	19	34	29
Amortization of prior service credit	(39)	(4)	—
Amortization of actuarial loss	32	26	1
Net periodic benefit cost	\$ 60	\$ 98	\$ 55

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

Weighted-Average Assumptions Used in Determining Benefit Obligations at the Measurement Date

as of December 31	2021	2020
Defined benefit plans		
Discount rate	2.8 %	2.4 %
Rate of compensation increases	5.2 %	4.6 %
Cash balance interest crediting rate	2.7 %	2.8 %
Other post-employment plans		
Discount rate	3.1 %	2.8 %

The assumptions used in calculating the December 31, 2021 measurement date benefit obligations will be used in the calculation of net periodic benefit cost in 2022.

Weighted-Average Assumptions Used in Determining Net Periodic Benefit Cost

years ended December 31	2021	2020	2019
Defined benefit plans			
Discount rate for determining service cost	2.6 %	3.1 %	4.0 %
Discount rate for determining interest cost	2.2 %	3.0 %	4.0 %
Expected long-term rate of return on plan assets	7.1 %	7.1 %	7.6 %
Expected rate of change in compensation	4.6 %	4.6 %	4.6 %
Cash balance interest crediting rate	2.8 %	2.8 %	2.8 %
Other post-employment plans			
Discount rate for determining service cost	3.0 %	3.7 %	4.7 %
Discount rate for determining interest cost	2.2 %	3.2 %	4.3 %

For the December 31, 2021 post-retirement health care obligations remeasurement, the company assumed a 5.9% pre-65 (2.1% post-65) annual rate of increase in the per capita cost of covered health care benefits. The pre-65 rate was assumed to decrease gradually to 4.5% (1.8% post-65) in 2029 and remain at that level thereafter. For purposes of measuring the 2021 post-retirement health care costs, the company assumed a 6.0% pre-65 (2.3% post-65) annual rate of increase in the per capita cost of covered health care benefits. The pre-65 rate was assumed to decrease gradually to 4.5% (2.0% post-65) for 2029 and remain at that level thereafter.

Defined Benefit Pension Plan Assets

as of December 31 (in millions)	2021	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)
Equities				
U.S. large cap ^(a)	\$ 1,428	\$ 1,428	\$ —	\$ —
U.S. mid cap ^(b)	198	198	—	—
International ^(c)	458	458	—	—
Fixed income securities				
U.S. government securities ^(d)	228	95	133	—
Corporate debt instruments ^(d)	945	179	766	—
Non-U.S. government securities ^(d)	602	445	157	—
Other ^(d)	273	268	5	—
Absolute return funds ^(e)	100	5	95	—
Real assets	10	10	—	—
Other ^(f)	261	216	45	—
Total	\$ 4,503	\$ 3,302	\$ 1,201	\$ —
Total assets measured at NAV	6,152			
Fair value of plan assets	\$ 10,655			

as of December 31 (in millions)	2020	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)
Equities				
U.S. large cap ^(a)	\$ 1,143	\$ 1,143	\$ —	\$ —
U.S. mid cap ^(b)	164	164	—	—
International ^(c)	524	524	—	—
Fixed income securities				
U.S. government securities ^(d)	132	18	114	—
Corporate debt instruments ^(d)	854	178	676	—
Non-U.S. government securities ^(d)	544	397	147	—
Other ^(d)	297	294	3	—
Absolute return funds ^(e)	310	4	306	—
Real assets	10	10	—	—
Other ^(f)	252	250	2	—
Total	\$ 4,230	\$ 2,982	\$ 1,248	\$ —
Total assets measured at NAV	5,472			
Fair value of plan assets	\$ 9,702			

(a) A mix of index funds and actively managed equity accounts that are benchmarked to various large cap indices.

(b) A mix of index funds and actively managed equity accounts that are benchmarked to various mid cap indices.

(c) A mix of index funds and actively managed equity accounts that are benchmarked to various non-U.S. equity indices in both developed and emerging markets.

(d) Securities held by actively managed accounts, index funds and mutual funds.

- (e) Primarily funds having global mandates with the flexibility to allocate capital broadly across a wide range of asset classes and strategies, including but not limited to equities, fixed income, commodities, financial futures, currencies and other securities, with objectives to outperform agreed upon benchmarks of specific return and volatility targets.
- (f) Investments in cash and cash equivalents.

Equities and registered investment companies having quoted prices are valued at the published market prices. Fixed income securities that are valued using significant other observable inputs are quoted at prices obtained from independent financial service industry-recognized vendors. Investments held in pooled investment funds, common collective trusts or limited partnerships are valued at the net asset value (NAV) practical expedient to estimate fair value. The NAV is provided by the fund administrator and is based on the value of the underlying assets owned by the fund minus its liabilities.

The investment mix of equity securities, fixed income and other asset allocation strategies is based upon achieving a desired return, balancing higher return, more volatile equity securities and lower return, less volatile fixed income securities. Investment allocations are established for each plan and are generally made across a range of markets, industry sectors, capitalization sizes and in the case of fixed income securities, maturities and credit quality. The 2021 target investment allocation for the AbbVie Pension Plan was 62.5% in equity securities, 22.5% in fixed income securities and 15% in asset allocation strategies and other holdings. There are no known significant concentrations of risk in the plan assets of the AbbVie Pension Plan or of any other plans.

The expected return on plan assets assumption for each plan is based on management's expectations of long-term average rates of return to be achieved by the underlying investment portfolio. In establishing this assumption, management considers historical and expected returns for the asset classes in which the plans are invested, as well as current economic and capital market conditions.

Expected Benefit Payments

The following table summarizes total benefit payments expected to be paid to plan participants including payments funded from both plan and company assets:

years ending December 31 (in millions)	Defined benefit plans	Other post-employment plans
2022	\$ 293	\$ 27
2023	312	30
2024	334	31
2025	356	34
2026	379	36
2027 to 2031	2,291	224

Defined Contribution Plan

AbbVie maintains defined contribution savings plans for the benefit of its eligible employees. The expense recognized for these plans was \$267 million in 2021, \$191 million in 2020 and \$102 million in 2019. AbbVie provides certain other post-employment benefits, primarily salary continuation arrangements, to qualifying employees and accrues for the related cost over the service lives of the employees.

Note 13 Equity

Stock-Based Compensation

In May 2021, stockholders of the company approved the AbbVie Amended and Restated 2013 Incentive Stock Program (the Amended Plan), which amends and restates the AbbVie 2013 Incentive Stock Program (2013 ISP). AbbVie grants stock-based awards to eligible employees pursuant to the Amended Plan, which provides for several different forms of benefits, including non-qualified stock options, RSUs and various performance-based awards. Under the Amended Plan, a total of 144 million shares of AbbVie common stock have been reserved for issuance as awards to AbbVie employees. The 2013 ISP also facilitated the assumption of certain awards granted under Abbott's incentive stock program, which were adjusted and converted into Abbott and AbbVie stock-based awards as a result of AbbVie's separation from Abbott.

AbbVie measures compensation expense for stock-based awards based on the grant date fair value of the awards and the estimated number of awards that are expected to vest. Forfeitures are estimated based on historical experience at the time of grant and are revised in subsequent periods if actual forfeitures differ from those estimates. Compensation cost for stock-based awards is amortized over the service period, which could be shorter than the vesting period if an employee is retirement eligible. Retirement eligible employees generally are those who are age 55 or older and have at least 10 years of service.

Stock-based compensation expense is principally related to awards issued pursuant to the 2013 ISP and the Amended Plan and is summarized as follows:

years ended December 31 (in millions)	2021	2020	2019
Cost of products sold	\$ 46	\$ 47	\$ 29
Research and development	226	247	171
Selling, general and administrative	420	459	230
Pre-tax compensation expense	692	753	430
Tax benefit	126	131	80
After-tax compensation expense	\$ 566	\$ 622	\$ 350

Realized excess tax benefits associated with stock-based compensation totaled \$50 million in 2021, \$34 million in 2020 and \$15 million in 2019.

Stock Options

Stock options awarded to employees typically have a contractual term of 10 years and generally vest in one-third increments over a three-year period. The exercise price is equal to at least 100% of the market value on the date of grant. The fair value is determined using the Black-Scholes model. The weighted-average grant-date fair values of stock options granted were \$16.28 in 2021, \$12.14 in 2020 and \$12.54 in 2019.

In connection with the Allergan acquisition, during the second quarter of 2020, AbbVie issued 11.2 million stock options to holders of Allergan options as a result of the conversion of such options. These options were fair-valued using a lattice valuation model. Refer to Note 5 for additional information regarding the Allergan acquisition.

The following table summarizes AbbVie stock option activity in 2021:

(options in thousands, aggregate intrinsic value in millions)	Options	Weighted- average exercise price	Weighted- average remaining life (in years)	Aggregate intrinsic value
Outstanding at December 31, 2020	15,691	\$ 73.90	4.7	\$ 559
Granted	1,147	105.94		
Exercised	(4,278)	57.77		
Lapsed and forfeited	(186)	105.28		
Outstanding at December 31, 2021	12,374	\$ 81.98	4.7	\$ 661
Exercisable at December 31, 2021	9,424	\$ 78.03	3.6	\$ 541

The total intrinsic value of options exercised was \$239 million in 2021, \$186 million in 2020 and \$22 million in 2019. The total fair value of options vested during 2021 was \$21 million. As of December 31, 2021, \$10 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

RSUs awarded to employees other than senior executives and other key employees generally vest in ratable increments over a three or four-year period. Recipients of these RSUs are entitled to receive dividend equivalents as dividends are declared and paid during the RSU vesting period.

The majority of the equity awards AbbVie grants to its senior executives and other key employees are performance-based. Equity awards granted to senior executives and other key employees consist of a combination of performance-vested RSUs and performance shares as well as non-qualified stock options described above. The performance-vested RSUs have the potential to vest in one-third increments during a three-year performance period. For awards granted in 2021 and 2020, performance is based on AbbVie's return on invested capital relative to a defined peer group of pharmaceutical, biotech and life science companies. For awards granted in 2019, the tranches tied to 2021 performance are based on AbbVie's return on

equity relative to a defined peer group of pharmaceutical, biotech and life sciences companies. The recipient may receive one share of AbbVie common stock for each vested award. The performance shares have the potential to vest over a three-year performance period and may be earned based on AbbVie's EPS achievement and AbbVie's total stockholder return (TSR) (a market condition) relative to a defined peer group of pharmaceutical, biotech and life sciences companies. Dividend equivalents on performance-vested RSUs and performance shares accrue during the performance period and are payable at vesting only to the extent that shares are earned.

The weighted-average grant-date fair value of RSUs and performance shares generally is determined based on the number of shares/units granted and the quoted price of AbbVie's common stock on the date of grant. The weighted-average grant-date fair values of performance shares with a TSR market condition are determined using the Monte Carlo simulation model.

The following table summarizes AbbVie RSU and performance share activity for 2021:

(share units in thousands)	Share units	Weighted-average grant date fair value
Outstanding at December 31, 2020	15,918	\$ 87.03
Granted	7,556	105.79
Vested	(6,735)	91.63
Forfeited	(1,849)	83.35
Outstanding at December 31, 2021	14,890	\$ 94.93

The fair market value of RSUs and performance shares (as applicable) vested was \$718 million in 2021, \$618 million in 2020 and \$371 million in 2019.

In connection with the Allergan acquisition, during the second quarter of 2020, AbbVie issued 8.2 million RSUs to holders of Allergan equity awards based on a conversion factor described in the transaction agreement. Refer to Note 5 for additional information regarding the Allergan acquisition.

As of December 31, 2021, \$592 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

Cash dividends declared per common share totaled \$5.31 in 2021, \$4.84 in 2020 and \$4.39 in 2019. The following table summarizes quarterly cash dividends declared during 2021, 2020 and 2019:

2021			2020			2019		
Date Declared	Payment Date	Dividend Per Share	Date Declared	Payment Date	Dividend Per Share	Date Declared	Payment Date	Dividend Per Share
10/29/21	02/15/22	\$1.41	10/30/20	02/16/21	\$1.30	11/01/19	02/14/20	\$1.18
09/10/21	11/15/21	\$1.30	09/11/20	11/16/20	\$1.18	09/06/19	11/15/19	\$1.07
06/17/21	08/16/21	\$1.30	06/17/20	08/14/20	\$1.18	06/20/19	08/15/19	\$1.07
02/18/21	05/14/21	\$1.30	02/20/20	05/15/20	\$1.18	02/21/19	05/15/19	\$1.07

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 these programs are recorded at acquisition cost, including related expenses and are available for general corporate purposes.

AbbVie repurchased 6 million shares for \$670 million in 2021, 8 million shares for \$757 million in 2020 and 4 million shares for \$300 million in 2019. AbbVie's remaining stock repurchase authorization was \$2.5 billion as of December 31, 2021.

Accumulated Other Comprehensive Loss

The following table summarizes the changes in each component of accumulated other comprehensive loss, net of tax, for 2021, 2020 and 2019:

(In millions) (brackets denote losses)	Foreign currency translation adjustments	Net investment hedging activities	Pension and post-employment benefits	Marketable security activities	Cash flow hedging activities	Total
2018						
Balance as of December 31,	\$ (830)	\$ (65)	\$ (1,722)	\$ (10)	\$ 147	\$ (2,480)
Other comprehensive income (loss) before reclassifications	(98)	95	(1,330)	12	298	(1,023)
Net losses (gains) reclassified from accumulated other comprehensive loss	—	(21)	87	(2)	(157)	(93)
Net current-period other comprehensive income (loss)	(98)	74	(1,243)	10	141	(1,116)
2019						
Balance as of December 31,	(928)	9	(2,965)	—	288	(3,596)
Other comprehensive income (loss) before reclassifications	1,511	(785)	(300)	—	(108)	318
Net losses (gains) reclassified from accumulated other comprehensive loss	—	(14)	198	—	(23)	161
Net current-period other comprehensive income (loss)	1,511	(799)	(102)	—	(131)	479
2020						
Balance as of December 31,	583	(790)	(3,067)	—	157	(3,117)
Other comprehensive income (loss) before reclassifications	(1,153)	720	298	—	76	(59)
Net losses (gains) reclassified from accumulated other comprehensive loss	—	(21)	223	—	75	277
Net current-period other comprehensive income (loss)	(1,153)	699	521	—	151	218
2021						
Balance as of December 31,	\$ (570)	\$ (91)	\$ (2,546)	\$ —	\$ 308	\$ (2,899)

Other comprehensive income (loss) for 2021 included foreign currency translation adjustments totaling losses of \$1.2 billion and the offsetting impact of net investment hedging activities totaling gains of \$699 million, which were principally due to the impact of the weakening of the Euro on the translation of the company's Euro-denominated assets. Other comprehensive income (loss) for 2020 included foreign currency translation adjustments totaling gains of \$1.5 billion and the offsetting impact of net investment hedging activities totaling losses of \$799 million, which were principally due to the impact of the strengthening of the Euro on the translation of the company's Euro-denominated assets.

Other comprehensive income (loss) for 2019 included pension and post-employment benefit plan losses of \$1.2 billion primarily due to an actuarial loss driven by lower discount rates. See Note 12 for additional information.

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

years ended December 31 (in millions) (brackets denote gains)	2021	2020	2019
Net investment hedging activities			
Gains on derivative amount excluded from effectiveness testing ^(a)	\$ (26)	\$ (18)	\$ (27)
Tax expense	5	4	6
Total reclassifications, net of tax	\$ (21)	\$ (14)	\$ (21)
Pension and post-employment benefits			
Amortization of actuarial losses and other ^(b)	\$ 283	\$ 251	\$ 110
Tax benefit	(60)	(53)	(23)
Total reclassifications, net of tax	\$ 223	\$ 198	\$ 87
Cash flow hedging activities			
Losses (gains) on foreign currency forward exchange contracts ^(c)	\$ 87	\$ (23)	\$ (167)
Gains on treasury rate lock agreements ^(a)	(24)	(24)	(3)
Losses (gains) on interest rate swap contracts ^(a)	24	17	(1)
Tax expense (benefit)	(12)	7	14
Total reclassifications, net of tax	\$ 75	\$ (23)	\$ (157)

(a) Amounts are included in interest expense, net (see Note 11).

(b) Amounts are included in the computation of net periodic benefit cost (see Note 12).

(c) Amounts are included in cost of products sold (see Note 11).

Other

In addition to common stock, AbbVie's authorized capital includes 200 million shares of preferred stock, par value \$0.01. As of December 31, 2021, no shares of preferred stock were issued or outstanding.

Note 14 Income Taxes

Earnings Before Income Tax Expense

years ended December 31 (in millions)	2021	2020	2019
Domestic	\$ (1,644)	\$ (4,467)	\$ (2,784)
Foreign	14,633	7,865	11,210
Total earnings before income tax expense	\$ 12,989	\$ 3,398	\$ 8,426

Income Tax Expense

years ended December 31 (in millions)	2021	2020	2019
Current			
Domestic	\$ 1,987	\$ 907	\$ 102
Foreign	351	194	320
Total current taxes	\$ 2,338	\$ 1,101	\$ 422
Deferred			
Domestic	\$ (839)	\$ (58)	\$ (137)
Foreign	(59)	(2,267)	259
Total deferred taxes	\$ (898)	\$ (2,325)	\$ 122
Total income tax expense (benefit)	\$ 1,440	\$ (1,224)	\$ 544

Effective Tax Rate Reconciliation

years ended December 31	2021	2020	2019
Statutory tax rate	21.0 %	21.0 %	21.0 %
Effect of foreign operations	(5.4)	2.4	(8.4)
U.S. tax credits	(2.8)	(10.6)	(3.3)
Impacts related to U.S. tax reform	—	(1.1)	(1.6)
Non-deductible expenses	0.3	7.2	1.0
Tax law changes and related restructuring	(2.0)	(48.5)	3.1
Tax audit settlements	(0.4)	(5.1)	(4.7)
All other, net	0.4	(1.3)	(0.6)
Effective tax rate	11.1 %	(36.0 %)	6.5 %

The effective income tax rate fluctuates year to year due to the allocation of the company's taxable earnings among jurisdictions, as well as certain discrete factors and events in each year, including changes in tax law, acquisitions and collaborations. The effective income tax rates in 2021, 2020 and 2019 differed from the statutory tax rate principally due to the impact of foreign operations which reflects the impact of lower income tax rates in locations outside the United States, tax incentives in Puerto Rico and other foreign tax jurisdictions, business development activities, changes in enacted tax rates and laws and related restructuring, tax audit settlements and accretion on contingent consideration. The 2020 effective income tax rate included the recognition of a net tax benefit of \$1.7 billion related to changes in tax laws and related restructuring, including certain intra-group transfers of intellectual property and deferred tax remeasurement. The effective tax rates for these periods also reflected the benefit from U.S. tax credits principally related to research and development credits, the orphan drug tax credit and Puerto Rico excise tax credits. The Puerto Rico excise tax credits relate to legislation enacted by Puerto Rico that assesses an excise tax on certain products manufactured in Puerto Rico. The tax is levied on gross inventory purchases from entities in Puerto Rico and is included in cost of products sold in the consolidated statements of earnings. The majority of the tax is creditable for U.S. income tax purposes.

The effective income tax rate in 2020 and 2019 included impacts related to U.S. tax reform. The Tax Cuts and Jobs Act (the Act) was signed into law in December 2017, resulting in significant changes to the U.S. corporate tax system, including a one-time transition tax on a mandatory deemed repatriation of earnings of certain foreign subsidiaries that were previously untaxed. The Act also created a minimum tax on certain foreign sourced earnings. The company's accounting policy for the minimum tax on foreign sourced earnings is to report the tax effects on the basis that the minimum tax will be recognized in tax expense in the year it is incurred as a period expense. The effective income tax rates for 2019 also included the effects of Stemcentrx impairment related expenses.

Deferred Tax Assets and Liabilities

as of December 31 (in millions)	2021	2020
Deferred tax assets		
Compensation and employee benefits	\$ 937	\$ 1,109
Accruals and reserves	667	438
Chargebacks and rebates	837	555
Advance payments	809	324
Net operating losses and other credit carryforwards	10,095	2,765
Other	1,234	1,371
Total deferred tax assets	14,579	6,562
Valuation allowances	(9,391)	(1,203)
Total net deferred tax assets	5,188	5,359
Deferred tax liabilities		
Excess of book basis over tax basis of intangible assets	(4,711)	(5,274)
Excess of book basis over tax basis in investments	(308)	(335)
Other	(904)	(982)
Total deferred tax liabilities	(5,923)	(6,591)
Net deferred tax liabilities	\$ (735)	\$ (1,232)

The decrease in net deferred tax assets is primarily related to the utilization of net operating losses and other carryforwards offset by an increase in advance payments. The decrease in deferred tax liabilities is primarily related to amortization of intangible assets.

In connection with the Allergan acquisition, the company recorded adjustments within the measurement period in 2021 related to foreign net operating losses and other credit carryforwards that are not expected to be realized. The adjustments reflected an increase of \$8.2 billion to deferred tax assets and an offsetting increase to valuation allowances, resulting in no net impact to deferred tax assets.

The company had valuation allowances of \$9.4 billion as of December 31, 2021 and \$1.2 billion as of December 31, 2020. These were principally related to foreign and state net operating losses and other credit carryforwards that are not expected to be realized.

As of December 31, 2021, the company had U.S. federal and state credit carryforwards of \$214 million as well as U.S. federal, state and foreign net operating loss carryforwards of \$34.4 billion, which will expire at various times through 2041. The remaining U.S. federal and foreign loss carryforwards of \$3.2 billion have no expiration.

The Act significantly changed the timing and manner in which earnings of foreign subsidiaries are subject to U.S. tax. Therefore, unremitted foreign earnings subject to the Act's transition tax are not considered indefinitely reinvested. Post-2017 earnings subject to the U.S. minimum tax on foreign sourced earnings or eligible for the 100 percent foreign dividends received deduction are also not considered indefinitely reinvested earnings. However, the company generally considers instances of outside basis differences in foreign subsidiaries that would incur additional U.S. tax upon reversal (e.g., capital gain distribution) to be permanent in duration. The unrecognized tax liability is not practicable to determine.

Unrecognized Tax Benefits

years ended December 31 (in millions)	2021	2020	2019
Beginning balance	\$ 5,264	\$ 2,661	\$ 2,852
Increase due to acquisition	—	2,674	—
Increase due to current year tax positions	208	91	113
Increase due to prior year tax positions	137	59	499
Decrease due to prior year tax positions	(62)	(7)	(21)
Settlements	(24)	(141)	(749)
Lapse of statutes of limitations	(34)	(73)	(33)
Ending balance	\$ 5,489	\$ 5,264	\$ 2,661

If recognized, the net amount of potential tax benefits that would impact the company's effective tax rate is \$5.2 billion in 2021 and \$5.0 billion in 2020. Of the unrecognized tax benefits recorded in the table above as of December 31, 2021, AbbVie would be indemnified for approximately \$79 million. The "Increase due to current year tax positions" and "Increase due to prior year tax positions" in the table above include amounts related to federal, state and international tax items. "Increase due to acquisition" in the table above includes amounts related to federal, state and international tax items recorded in acquisition accounting related to the Allergan acquisition.

AbbVie recognizes interest and penalties related to income tax matters in income tax expense in the consolidated statements of earnings. AbbVie recognized gross income tax expense of \$161 million in 2021, \$142 million in 2020 and \$51 million in 2019, for interest and penalties related to income tax matters. AbbVie had an accrual for the payment of gross interest and penalties of \$803 million at December 31, 2021, \$642 million at December 31, 2020 and \$191 million at December 31, 2019.

The company is routinely audited by the tax authorities in significant jurisdictions and a number of audits are currently underway. It is reasonably possible during the next 12 months that uncertain tax positions may be settled, which could result in a decrease in the gross amount of unrecognized tax benefits. Due to the potential for resolution of federal, state and foreign examinations and the expiration of various statutes of limitation, the company's gross unrecognized tax benefits balance may change within the next 12 months up to \$225 million. All significant federal, state, local and international matters have been concluded for years through 2008. The company believes adequate provision has been made for all income tax uncertainties.

Note 15 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 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 violates 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 four individual plaintiff lawsuits and two consolidated purported class actions: one brought by Niaspan direct purchasers and one brought by Niaspan end-payors. 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 August 2019, the court certified a class of direct purchasers of Niaspan. In June 2020 and August 2021, the court denied the end-payors' motion to certify a class. 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. In May 2020, Perrigo Company and related entities filed a lawsuit against AbbVie and others in the United States District Court for the Eastern District of Pennsylvania, alleging that Abbott's 2011 AndroGel patent lawsuit filed against Perrigo was sham litigation. In October 2020, the Perrigo lawsuit was transferred to the United States District Court for New Jersey. In September 2021, the New Jersey court granted AbbVie's motion for judgment on the pleadings in the Perrigo lawsuit, dismissing it with prejudice. Perrigo has appealed the dismissal.

Between March and May 2019, 12 putative class action lawsuits were filed in the United States District Court for the Northern District of Illinois by indirect Humira purchasers, alleging that AbbVie's settlements with biosimilar manufacturers and AbbVie's Humira patent portfolio violated state and federal antitrust laws. The court consolidated these lawsuits as *In re: Humira (Adalimumab) Antitrust Litigation*. In June 2020, the court dismissed the consolidated litigation with prejudice. The plaintiffs have appealed the dismissal.

Lawsuits are pending against Forest Laboratories, LLC and others generally alleging that 2009 and 2010 patent litigation settlements involving Namenda entered into between Forest and generic companies and other conduct by Forest involving Namenda, violated state antitrust, unfair and deceptive trade practices, and unjust enrichment laws. Plaintiffs generally seek monetary damages, injunctive relief and attorneys' fees. The lawsuits, purported class actions filed by indirect purchasers of Namenda, are consolidated as *In re: Namenda Indirect Purchaser Antitrust Litigation* in the United States District Court for the Southern District of New York.

Lawsuits are pending against Allergan Inc. generally alleging that Allergan's petitioning to the U.S. Patent Office and Food and Drug Administration and other conduct by Allergan involving Restasis violated federal and state antitrust laws and state unfair and deceptive trade practices and unjust enrichment laws. Plaintiffs generally seek monetary damages, injunctive relief and attorneys' fees. The lawsuits, certified as a class action filed on behalf of indirect purchasers of Restasis, are consolidated for pre-trial purposes in the United States District Court for the Eastern District of New York under the MDL Rules as *In re: Restasis (Cyclosporine Ophthalmic Emulsion) Antitrust Litigation*, MDL No. 2819. In May 2021, the parties reached an agreement to settle this matter that is subject to final court approval.

Lawsuits are pending 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, injunctive relief, and attorneys' fees. The lawsuits, purported class actions filed on behalf of direct and indirect purchasers of Bystolic, are consolidated as *In re: Bystolic Antitrust Litigation* in the United States District Court for the Southern District of New York.

Government Proceedings

Lawsuits are pending against Allergan and several other manufacturers generally alleging that they improperly promoted and sold prescription opioid products. Approximately 3,130 matters are pending against Allergan. The federal court cases 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 251 of the claims are pending in various state courts. The plaintiffs in these cases, 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. In December 2021, a California state court reached a judgment for Allergan and other defendants in the trial of an opioid lawsuit by Orange, Los Angeles, and Santa Clara Counties and the City of Oakland. In December 2021, Allergan reached an agreement to settle a lawsuit brought by the State of New York and two New York counties, which also provides all other New York counties and political subdivisions the opportunity to participate in the settlement.

In July 2019, the New Mexico Attorney General filed a lawsuit, *State of New Mexico ex rel. Balderas v. AbbVie Inc., et al.*, in New Mexico District Court for Santa Fe County against AbbVie and other companies alleging their marketing of AndroGel violated New Mexico's Unfair Practices Act. In October 2020, the state added a claim under the New Mexico False Advertising Act.

Shareholder and Securities Litigation

In June 2016, a lawsuit, *Elliott Associates, L.P., et al. v. AbbVie Inc.*, was filed by five investment funds against AbbVie in the Cook County, Illinois Circuit Court alleging that AbbVie made misrepresentations and omissions in connection with its proposed transaction with Shire. Similar lawsuits were filed between July 2017 and October 2019 against AbbVie and in some instances its chief executive officer in the same court by additional investment funds. The court granted motions dismissing the claims of three investment-fund plaintiffs, which they appealed. In March 2021, in the first of those appeals, the dismissal was affirmed. One of these plaintiffs refiled its lawsuit in New York state court in June 2020 while the appeal of its dismissal in Illinois is pending. In November 2020, the New York Supreme Court for the County of New York dismissed that lawsuit, which is being appealed. In September 2021, the Illinois court granted AbbVie's motion for summary judgment against all remaining plaintiffs on all the remaining claims, dismissing them with prejudice. The plaintiffs have appealed the dismissals.

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 2017 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 are pending against Allergan and certain of its current and 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.

Lawsuits are pending against Allergan and certain of its current and former officers alleging they made misrepresentations and omissions regarding Allergan's former Actavis generics unit and its alleged anticompetitive conduct with other generic drug companies. The lawsuits were filed by Allergan shareholders and consist of three purported class actions and one individual action that have been consolidated in the U.S. District Court for the District of New Jersey as *In re: Allergan Generic Drug Pricing Securities Litigation*. In July 2021, the parties reached an agreement to settle the class action lawsuits, which received court approval in November 2021.

Product Liability and General Litigation

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 seeks 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.

Intellectual Property Litigation

AbbVie Inc. and AbbVie Biotechnology Ltd are seeking to enforce their patent rights relating to adalimumab (a drug AbbVie sells under the trademark Humira). In April 2021 and May 2021, cases were filed in the United States District Court for the Northern District of Illinois against Alvotech hf. AbbVie alleges defendant's proposed biosimilar adalimumab product infringes certain AbbVie patents and seeks declaratory and injunctive relief. In August 2021, the court denied Defendant's motion to dismiss on jurisdictional grounds in the first case; a motion in the second case remains pending. The court has set a trial on a subset of patents for August 2022. The court order provides that Alvotech will stay off the market until that decision. Litigation on the remaining patents is stayed. In October 2021, the May 2021 declaratory judgment action filed by Alvotech hf. and its U.S. subsidiary Alvotech USA, Inc. in the United States Eastern District of Virginia was transferred to the Northern District of Illinois and subsequently dismissed.

Pharmacyclics LLC, a wholly owned subsidiary of AbbVie, is seeking to enforce its patent rights relating to ibrutinib tablets (a drug Pharmacyclics sells under the trademark Imbruvica). Cases were filed in the United States District Court for the District of Delaware in March 2019 against Alvogen Pine Brook LLC and Natco Pharma Ltd.. In August 2021, the court issued a decision holding all asserted patents infringed and valid. The judgment precludes Defendants from obtaining regulatory approval and launching until the last patent expires in 2036. Janssen Biotech, Inc. which is in a global collaboration with Pharmacyclics concerning the development and marketing of Imbruvica, is the co-plaintiff in these suits.

Allergan USA, Inc., Allergan Sales, LLC, and Forest Laboratories Holdings Limited, wholly owned subsidiaries of AbbVie, are seeking to enforce patent rights relating to cariprazine (a drug sold under the trademark Vraylar). Litigation was filed in the United States District Court for the District of Delaware in December 2019 against Sun Pharmaceutical Industries Limited and Sun Pharma Global FZE; Aurobindo Pharma Limited and Aurobindo Pharma USA, Inc.; and Zydus Pharmaceuticals (USA), Inc. and Cadila Healthcare Limited. Allergan alleges defendants' proposed generic cariprazine products infringe certain patents and seeks declaratory and injunctive relief. Gedeon Richter Plc, Inc. which is in a global collaboration with Allergan concerning the development and marketing of Vraylar, is the co-plaintiff in this suit.

Note 16 Segment and Geographic Area 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.

Substantially all of AbbVie's net revenues in the United States are to three wholesalers. Outside the United States, products are sold primarily to health care providers or through distributors, depending on the market served. The following tables detail AbbVie's worldwide net revenues:

years ended December 31 (in millions)		2021	2020	2019
Immunology				
Humira	United States	\$ 17,330	\$ 16,112	\$ 14,864
	International	3,364	3,720	4,305
	Total	\$ 20,694	\$ 19,832	\$ 19,169
Skyrizi	United States	\$ 2,486	\$ 1,385	\$ 311
	International	453	205	44
	Total	\$ 2,939	\$ 1,590	\$ 355
Rinvoq	United States	\$ 1,271	\$ 653	\$ 47
	International	380	78	—
	Total	\$ 1,651	\$ 731	\$ 47
Hematologic Oncology				
Imbruvica	United States	\$ 4,321	\$ 4,305	\$ 3,830
	Collaboration revenues	1,087	1,009	844
	Total	\$ 5,408	\$ 5,314	\$ 4,674
Venclexta	United States	\$ 934	\$ 804	\$ 521
	International	886	533	271
	Total	\$ 1,820	\$ 1,337	\$ 792
Aesthetics				
Botox Cosmetic ^(a)	United States	\$ 1,424	\$ 687	\$ —
	International	808	425	—
	Total	\$ 2,232	\$ 1,112	\$ —
Juvederm Collection ^(a)	United States	\$ 658	\$ 318	\$ —
	International	877	400	—
	Total	\$ 1,535	\$ 718	\$ —
Other Aesthetics ^(a)	United States	\$ 1,268	\$ 666	\$ —
	International	198	94	—
	Total	\$ 1,466	\$ 760	\$ —
Neuroscience				
Botox Therapeutic ^(a)	United States	\$ 2,012	\$ 1,155	\$ —
	International	439	232	—
	Total	\$ 2,451	\$ 1,387	\$ —
Vraylar ^(a)	United States	\$ 1,728	\$ 951	\$ —
Duodopa	United States	\$ 102	\$ 103	\$ 97
	International	409	391	364
	Total	\$ 511	\$ 494	\$ 461
Ubrovelvy ^(a)	United States	\$ 552	\$ 125	\$ —
Other Neuroscience ^(a)	United States	\$ 667	\$ 528	\$ —
	International	18	11	—
	Total	\$ 685	\$ 539	\$ —

years ended December 31 (in millions)		2021	2020	2019
Eye Care				
Lumigan/Ganfort ^(a)	United States	\$ 273	\$ 165	\$ —
	International	306	213	—
	Total	\$ 579	\$ 378	\$ —
Alphagan/Combigan ^(a)	United States	\$ 373	\$ 223	\$ —
	International	156	103	—
	Total	\$ 529	\$ 326	\$ —
Restasis ^(a)	United States	\$ 1,234	\$ 755	\$ —
	International	56	32	—
	Total	\$ 1,290	\$ 787	\$ —
Other Eye Care ^(a)	United States	\$ 523	\$ 305	\$ —
	International	646	388	—
	Total	\$ 1,169	\$ 693	\$ —
Women's Health				
Lo Loestrin ^(a)	United States	\$ 423	\$ 346	\$ —
	International	14	10	—
	Total	\$ 437	\$ 356	\$ —
Orilissa/Oriahnn	United States	\$ 139	\$ 121	\$ 91
	International	6	4	2
	Total	\$ 145	\$ 125	\$ 93
Other Women's Health ^(a)	United States	\$ 209	\$ 181	\$ —
	International	5	11	—
	Total	\$ 214	\$ 192	\$ —
Other Key Products				
Mavyret	United States	\$ 754	\$ 785	\$ 1,473
	International	956	1,045	1,420
	Total	\$ 1,710	\$ 1,830	\$ 2,893
Creon	United States	\$ 1,191	\$ 1,114	\$ 1,041
Lupron	United States	\$ 604	\$ 600	\$ 720
	International	179	152	167
	Total	\$ 783	\$ 752	\$ 887
Linzess/Constella ^(a)	United States	\$ 1,006	\$ 649	\$ —
	International	32	18	—
	Total	\$ 1,038	\$ 667	\$ —
Synthroid	United States	\$ 767	\$ 771	\$ 786
All other		\$ 2,673	\$ 2,923	\$ 2,068
Total net revenues		\$ 56,197	\$ 45,804	\$ 33,266

^(a) Net revenues include Allergan product revenues after the acquisition closing date of May 8, 2020.

Net revenues to external customers by geographic area, based on product shipment destination, were as follows:

years ended December 31 (in millions)	2021		2020		2019	
United States	\$	43,510	\$	34,879	\$	23,907
Canada		1,397		1,159		813
Germany		1,223		1,049		909
Japan		1,090		1,198		1,211
France		936		797		695
China		857		471		195
Australia		533		527		395
Spain		519		453		472
Italy		506		379		372
United Kingdom		497		509		372
Brazil		368		406		359
All other countries		4,761		3,977		3,566
Total net revenues	\$	56,197	\$	45,804	\$	33,266

Long-lived assets, primarily net property and equipment, by geographic area were as follows:

as of December 31 (in millions)	2021		2020	
United States and Puerto Rico	\$	3,369	\$	3,354
Europe		1,400		1,534
All other		341		360
Total long-lived assets	\$	5,110	\$	5,248

Note 17 Fourth Quarter Financial Results (unaudited)

quarter ended December 31 (in millions except per share data)	2021	
Net revenues	\$	14,886
Gross margin		10,566
Net earnings attributable to AbbVie Inc.		4,044
Basic earnings per share attributable to AbbVie Inc.	\$	2.27
Diluted earnings per share attributable to AbbVie Inc.	\$	2.26
Cash dividends declared per common share	\$	1.41

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of AbbVie Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AbbVie Inc. and subsidiaries (the Company) as of December 31, 2021 and 2020, and the related consolidated statements of earnings, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 18, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Description of the Matter

Sales rebate accruals for Medicaid, Medicare and managed care programs

As discussed in Note 2 to the consolidated financial statements under the caption "Revenue Recognition," the Company established provisions for sales rebates in the same period the related product is sold. At December 31, 2021, the Company had \$8,254 million in sales rebate accruals, a large portion of which were for rebates provided to pharmacy benefit managers, state government Medicaid programs, insurance companies that administer Medicare drug plans and private entities for Medicaid, Medicare and managed care programs. In order to establish these sales rebate accruals, the Company estimated its rebates based upon the identification of the products subject to a rebate, the applicable price and rebate terms and the estimated lag time between the sale and payment of the rebate.

Auditing the Medicaid, Medicare and managed care sales rebate accruals was complex and required significant auditor judgment because the accruals consider multiple subjective and complex estimates and assumptions. These estimates and assumptions included the estimated inventory in the distribution channel, which impacts the lag time between the sale to the customer and payment of the rebate, and the final payer related to product sales, which impacts the applicable price and rebate terms. In deriving these estimates and assumptions, the Company used both internal and external sources of information to estimate product in the distribution channels, payer mix, prescription volumes and historical experience. Management supplemented its historical data analysis with qualitative adjustments based upon changes in rebate trends, rebate programs and contract terms, legislative changes, or other significant events which indicate a change in the reserve is appropriate.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's sales rebate accruals for Medicaid, Medicare and managed care programs. This included testing controls over management's review of the significant assumptions and other inputs used in the estimation of Medicaid, Medicare and managed care rebates, among others, including the significant assumptions discussed above. The testing was inclusive of management's controls to evaluate the accuracy of its reserve judgments to actual rebates paid, rebate validation and processing, and controls to ensure that the data used to evaluate and support the significant assumptions was complete, accurate and, where applicable, verified to external data sources.

To test the sales rebate accruals for Medicaid, Medicare, and managed care programs, our audit procedures included, among others, understanding and evaluating the significant assumptions and underlying data used in management's calculations. Our testing of significant assumptions included corroboration to external data sources. We evaluated the reasonableness of assumptions considering industry and economic trends, product profiles, and other regulatory factors. We assessed the historical accuracy of management's estimates by comparing actual activity to previous estimates and performed analytical procedures, based on internal and external data sources, to evaluate the completeness of the reserves. For Medicaid, we involved a specialist with an understanding of statutory reimbursement requirements to assess the consistency of the Company's calculation methodologies with applicable government regulations and policy.

Description of the Matter

Valuation of contingent consideration

As discussed in Note 2 to the consolidated financial statements under the caption "Business Combinations" and in Note 11 under the caption "Financial Instruments and Fair Value Measures," the Company recognized contingent consideration liabilities at the estimated fair value on the acquisition date in connection with applying the acquisition method of accounting for business combinations. Subsequent changes to the fair value of the contingent consideration liabilities were recorded within the consolidated statement of earnings in the period of change. At December 31, 2021, the Company had \$14,887 million in contingent consideration liabilities, which represented a 'Level 3' fair value measurement in the fair value hierarchy due to the significant unobservable inputs used in determining the fair value and the use of management judgment about the assumptions market participants would use in pricing the liabilities.

Auditing the valuation of contingent consideration liabilities was complex and required significant auditor judgment due to the use of a Monte Carlo simulation model and the high degree of subjectivity in evaluating certain assumptions required to estimate the fair value of contingent royalty payments. In particular, the fair value measurement was sensitive to the significant assumptions underlying the estimated amount of future sales of the acquired products. Management utilized its expertise within the industry, including commercial dynamics, trends and utilization, as well as knowledge of clinical development and regulatory approval processes to determine certain of these assumptions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's contingent consideration liabilities process including, among others, management's process to establish the significant assumptions and measure the liability. This included testing controls over management's review of the significant assumptions and other inputs used in the determination of fair value. The testing was inclusive of key management review controls to monitor and evaluate clinical development of the acquired products and estimated future sales, and controls to ensure that the data used to evaluate and support the significant assumptions was complete, accurate and, where applicable, verified to external data sources.

To test the estimated fair value of contingent consideration liabilities, our audit procedures included, among others, inspecting the terms of the executed agreement, assessing the Monte Carlo simulation model used and testing the key contractual inputs and significant assumptions discussed above. We evaluated the assumptions and judgments considering observable industry and economic trends and standards, external data sources and regulatory factors. Estimated amounts of future sales were evaluated for reasonableness in relation to internal and external analyses, clinical development progress and timelines, probability of success benchmarks, and regulatory notices. Our procedures included evaluating the data sources used by management in determining its assumptions and, where necessary, included an evaluation of available information that either corroborated or contradicted management's conclusions. We involved a valuation specialist to assess the Company's Monte Carlo simulation model and to perform corroborative fair value calculations.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2013.

Chicago, Illinois

February 18, 2022

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures; Internal Control Over Financial Reporting

Evaluation of disclosure controls and procedures. The Chief Executive Officer, Richard A. Gonzalez, and the Chief Financial Officer, Robert A. Michael, 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.

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 December 31, 2021.

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.

Management's annual report on internal control over financial reporting. Management of AbbVie is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. AbbVie's internal control over financial reporting is designed 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 in the United States. However, all internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and reporting.

Management assessed the effectiveness of AbbVie's internal control over financial reporting as of December 31, 2021. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework* (2013 framework). Based on that assessment, management concluded that AbbVie maintained effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

The effectiveness of AbbVie's internal control over financial reporting as of December 31, 2021 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their attestation report below, which expresses an unqualified opinion on the effectiveness of AbbVie's internal control over financial reporting as of December 31, 2021.

Report of independent registered public accounting firm. The report of AbbVie's independent registered public accounting firm related to its assessment of the effectiveness of internal control over financial reporting is included below.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of AbbVie Inc.

Opinion on Internal Control over Financial Reporting

We have audited AbbVie Inc. and subsidiaries' internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control —Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, AbbVie Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of AbbVie Inc. and subsidiaries as of December 31, 2021 and 2020, and the related consolidated statements of earnings, comprehensive income, equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and our report dated February 18, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations on Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Chicago, Illinois

February 18, 2022

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Incorporated herein by reference are "Information Concerning Director Nominees," "The Board of Directors and its Committees—Committees of the Board of Directors," and "Procedure for Recommendation and Nomination of Directors and Transaction of Business at Annual Meeting" to be included in the 2022 AbbVie Inc. Proxy Statement. The 2022 Definitive Proxy Statement will be filed on or about March 21, 2022. Also incorporated herein by reference is the text found in this Form 10-K under the caption, "Information about Our Executive Officers."

AbbVie's code of business conduct requires all its business activities to be conducted in compliance with all applicable laws, regulations and ethical principles and values. All directors, officers and employees of AbbVie are required to read, understand and abide by the requirements of the code of business conduct applicable to them. AbbVie's code of business conduct is available in the corporate governance section of AbbVie's investor relations website at www.abbvieinvestor.com.

Any waiver of the code of business conduct for directors or executive officers may be made only by AbbVie's audit committee. AbbVie will disclose any amendment to, or waiver from, a provision of the code of conduct for the principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, on its website within four business days following the date of the amendment or waiver. In addition, AbbVie will disclose any waiver from the code of business conduct for the other executive officers and for directors on the website.

AbbVie has a chief ethics and compliance officer who reports to the Vice Chairman, External Affairs and Chief Legal Officer and to the public policy committee. The chief ethics and compliance officer is responsible for overseeing, administering and monitoring AbbVie's compliance program.

ITEM 11. EXECUTIVE COMPENSATION

The material to be included in the 2022 AbbVie Inc. Proxy Statement under the headings "Director Compensation," "Executive Compensation," and "Compensation Committee Report" is incorporated herein by reference. The 2022 Definitive Proxy Statement will be filed on or about March 21, 2022.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

(a) *Equity Compensation Plan Information.*

The following table presents information as of December 31, 2021 about AbbVie's equity compensation plans under which AbbVie common stock has been authorized for issuance:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	(b) Weighted-average exercise price of outstanding options, warrants and rights (2)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (3)
Equity compensation plans approved by security holders	27,264,327	\$ 81.98	74,075,427
Equity compensation plans not approved by security holders	—	—	—
Total	27,264,327	\$ 81.98	74,075,427

- (1) Includes 138,085 shares issuable under AbbVie's Incentive Stock Program pursuant to awards granted by Abbott and adjusted into AbbVie awards in connection with AbbVie's separation from Abbott.
- (2) The weighted-average exercise price does not include outstanding restricted stock units, restricted stock awards and performance shares that have no exercise price.
- (3) Excludes shares issuable upon the exercise of stock options and pursuant to other rights granted under the Stemcentrx 2011 Equity Incentive Plan, which was assumed by AbbVie upon the consummation of its acquisition of Stemcentrx, Inc. As of December 31, 2021, 44,912 options remained outstanding under this plan. The options have a weighted-average exercise price of \$17.63. No further awards will be granted under this plan.

(b) *Information Concerning Security Ownership.* Incorporated herein by reference is the material under the heading "Securities Ownership—Securities Ownership of Executive Officers and Directors" in the 2022 AbbVie Inc. Proxy Statement. The 2022 Definitive Proxy Statement will be filed on or about March 21, 2022.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The material to be included in the 2022 AbbVie Inc. Proxy Statement under the headings "The Board of Directors and its Committees," "Corporate Governance Materials," and "Procedures for Approval of Related Person Transactions" is incorporated herein by reference. The 2022 Definitive Proxy Statement will be filed on or about March 21, 2022.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The material to be included in the 2022 AbbVie Inc. Proxy Statement under the headings "Audit Fees and Non-Audit Fees" and "Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of the Independent Registered Public Accounting Firm" is incorporated herein by reference. The 2022 Definitive Proxy Statement will be filed on or about March 21, 2022.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this Form 10-K.

- (1) *Financial Statements*: See Item 8, "Financial Statements and Supplementary Data," on page 48 hereof, for a list of financial statements.
- (2) *Financial Statement Schedules*: All schedules omitted are inapplicable or the information required is shown in the consolidated financial statements or notes thereto.
- (3) *Exhibits Required by Item 601 of Regulation S-K*: The information called for by this paragraph is set forth in Item 15(b) below.

(b) Exhibits:

Exhibit Number	Exhibit Description
2.1	*Transaction Agreement, dated as of June 25, 2019, between AbbVie Inc., Allergan plc and Venice Subsidiary, LLC (incorporated by reference to Exhibit 2.1 of the company's Current Report on Form 8-K filed on June 25, 2019).
2.2	*Appendix III to the Rule 2.5 Announcement, dated as of June 25, 2019 (Conditions Appendix) (incorporated by reference to Exhibit 2.2 of the company's Current Report on Form 8-K filed on June 25, 2019).
2.3	*Expenses Reimbursement Agreement, dated as of June 25, 2019, between AbbVie Inc. and Allergan plc (incorporated by reference to Exhibit 2.3 of the company's Current Report on Form 8-K filed on June 25, 2019).
2.4	*Amendment to the Transaction Agreement, dated as of May 5, 2020, between AbbVie Inc., Allergan plc and Venice Subsidiary, LLC (incorporated by reference to Exhibit 2.1 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020).
3.1	*Amended and Restated Certificate of Incorporation of AbbVie Inc. (incorporated by reference to Exhibit 3.1 of the company's Current Report on Form 8-K filed on January 2, 2013).
3.2	*Amended and Restated By-Laws of AbbVie Inc. (incorporated by reference to Exhibit 3.1 of the company's Current Report on Form 8-K filed on October 22, 2019).
4.1	Description of the company's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934.
4.2	*Indenture dated as of November 8, 2012 between AbbVie Inc. and U.S. Bank National Association (incorporated by reference to Exhibit 4.1 of Amendment No. 5 to the company's Registration Statement on Form 10 filed on November 16, 2012).
4.3	*Supplemental Indenture No. 1 dated as of November 8, 2012 among AbbVie Inc. and U.S. Bank National Association, including forms of notes (incorporated by reference to Exhibit 4.2 of Amendment No. 5 to the company's Registration Statement on Form 10 filed on November 16, 2012).
4.4	*Supplemental Indenture No. 2 dated May 14, 2015, between AbbVie Inc. and U.S. Bank National Association, as trustee, including forms of notes (incorporated by reference to Exhibit 4.1 of the company's Current Report on Form 8-K filed on May 14, 2015).
4.5	*Supplemental Indenture No. 3 dated May 12, 2016, between AbbVie Inc. and U.S. Bank National Association, as trustee, including forms of notes (incorporated by reference to Exhibit 4.1 of the company's Current Report on Form 8-K filed on May 12, 2016).
4.6	*Supplemental Indenture No. 4, dated as of November 17, 2016, among AbbVie Inc., U.S. Bank National Association, as trustee, Elavon Financial Services DAC, U.K. Branch, as paying agent and Elavon Financial Services DAC, as transfer agent and registrar, including forms of notes (incorporated by reference to Exhibit 4.1 of the company's Current Report on Form 8-K filed on November 17, 2016).
4.7	*Supplemental Indenture No. 5, dated September 18, 2018, between AbbVie Inc. and U.S. Bank National Association, as trustee, including forms of notes (incorporated by reference to Exhibit 4.2 of the company's Current Report on Form 8-K filed on September 18, 2018).

Exhibit Number	Exhibit Description
4.8	*Supplemental Indenture No. 6, dated September 26, 2019, among AbbVie Inc., U.S. Bank National Association, as trustee, transfer agent and registrar, and Elavon Financial Services DAC, UK Branch, as paying agent, including forms of notes (incorporated by reference to Exhibit 4.2 of the company's Current Report on Form 8-K filed on September 26, 2019).
4.9	*Supplemental Indenture No. 7, dated November 21, 2019, by and between AbbVie Inc. and U.S. Bank National Association, as trustee, including forms of notes (incorporated by reference to Exhibit 4.2 of the company's Current Report on Form 8-K filed on November 26, 2019).
4.10	*Supplemental Indenture No. 8, dated May 14, 2020, by and between AbbVie Inc. and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 of the company's Current Report on Form 8-K filed on May 14, 2020).
4.11	*Supplemental Indenture No. 9, dated May 14, 2020, among AbbVie Inc., U.S. Bank and National Association, as trustee, transfer agent and registrar, and Elavon Financial Services DAC, U.K. Branch, as paying agent (incorporated by reference to Exhibit 4.15 of the company's Current Report on Form 8-K filed on May 14, 2020).
4.12	*Agency Agreement, dated as of November 17, 2016, among AbbVie Inc., U.S. Bank National Association, as trustee, Elavon Financial Services DAC, U.K. Branch, as paying agent and Elavon Financial Services DAC, as transfer agent and registrar (incorporated by reference to Exhibit 4.2 of the company's Current Report on Form 8-K filed on November 17, 2016).
4.13	*Agency Agreement, dated September 26, 2019, among AbbVie Inc., U.S. Bank National Association, as trustee, transfer agent and registrar, and Elavon Financial Services DAC, U.K. Branch, as paying agent (incorporated by reference to Exhibit 4.3 of the company's Current Report on Form 8-K filed on September 26, 2019).
4.14	*Registration Rights Agreement, dated November 21, 2019, among AbbVie Inc. and Morgan Stanley & Co. LLC, BofA Securities, Inc. and Barclays Capital Inc. (acting for themselves and as representatives of the several initial purchasers) (incorporated by reference to Exhibit 4.13 of the company's Current Report on Form 8-K filed on November 26, 2019).
4.15	*Agency Agreement, dated May 14, 2020, among AbbVie Inc., U.S. Bank National Association, as trustee, transfer agent and registrar, and Elavon Financial Services DAC, U.K. Branch, as paying agent and calculation agent (incorporated by reference to Exhibit 4.16 of the company's Current Report on Form 8-K filed on May 14, 2020).
4.16	*Registration Rights Agreement, dated May 14, 2020, among AbbVie Inc. and Morgan Stanley & Co. LLC, BofA Securities, Inc., Citigroup Global Markets Inc., BNP Paribas Securities Corp., HSBC Securities (USA) Inc., Mizuho Securities USA LLC and Wells Fargo Securities, LLC (incorporated by reference to Exhibit 4.23 of the company's Current Report on Form 8-K filed on May 14, 2020).
10.1	*Form of Agreement Regarding Change in Control by and between AbbVie Inc. and its named executive officers (incorporated by reference to Exhibit 10.13 of Amendment No. 5 to the Company's Registration Statement on Form 10 filed on November 16, 2012).**
10.2	*AbbVie 2013 Amended and Restated Incentive Stock Program (incorporated by reference to Appendix C to the AbbVie Inc. Definitive Proxy Statement on Schedule 14A dated March 22, 2021).**
10.3	AbbVie Performance Incentive Plan, as amended and restated.**
10.4	*AbbVie Deferred Compensation Plan, as amended and restated (incorporated by reference to Exhibit 10.5 of the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016).**
10.5	AbbVie Supplemental Pension Plan, as amended and restated.**
10.6	AbbVie Supplemental Savings Plan, as amended and restated.**
10.7	*Form of AbbVie Inc. Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.7 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013).**
10.8	*Form of AbbVie Inc. Non-Employee Director Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.1 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016).**
10.9	*Form of AbbVie Inc. Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.2 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016).**
10.10	*Form of AbbVie Inc. Non-Employee Director Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.1 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017).**
10.11	*Form of AbbVie Inc. Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.2 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2017).**

Exhibit Number	Exhibit Description
10.12	*Form of AbbVie Inc. Non-Employee Director RSU Agreement (US) (incorporated by reference to Exhibit 10.3 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018).**
10.13	*Form of AbbVie Inc. Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.4 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018).**
10.14	*Form of AbbVie Inc. Performance Share Award Agreement (incorporated by reference to Exhibit 10.2 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019).**
10.15	*Form of AbbVie Inc. Performance-Vested Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.1 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019).**
10.16	*AbbVie Non-Employee Directors' Fee Plan, as amended and restated (incorporated by reference to Exhibit 10.6 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020).**
10.17	*Form of AbbVie Inc. Non-Employee Director RSU Agreement (US) (incorporated by reference to Exhibit 10.3 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019).**
10.18	*Form of AbbVie Inc. Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.4 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019).**
10.19	*Form of AbbVie Inc. Performance Share Award Agreement (incorporated by reference to Exhibit 10.2 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020).**
10.20	*Form of AbbVie Inc. Performance-Vested Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.1 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020).**
10.21	*Form of AbbVie Inc. Non-Employee Director RSU Agreement (US) (incorporated by reference to Exhibit 10.3 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020).**
10.22	*Form of AbbVie Inc. Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.4 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020).**
10.23	*Pharmacyclics, Inc. 2014 Equity Incentive Award Plan (incorporated by reference to Exhibit 4.1 of the company's Registration Statement on Form S-8 filed on May 27, 2015).**
10.24	*Amended and Restated Revolving Credit Agreement, dated as of August 27, 2019, among AbbVie Inc., the lenders and other parties party thereto and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 of the company's Current Report on Form 8-K filed on August 30, 2019).
10.25	*364-Day Bridge Credit Agreement, dated as of June 25, 2019, among AbbVie Inc., Morgan Stanley Senior Funding, Inc. and the lenders party thereto (incorporated by reference to Exhibit 10.1 of the company's Current Report on Form 8-K filed on June 25, 2019).
10.26	*Underwriting Agreement, dated September 17, 2019, among AbbVie Inc. and Morgan Stanley & Co. International plc, HSBC Bank plc and Merrill Lynch International (acting for themselves and as representatives of the several underwriters named therein) (incorporated by reference to Exhibit 1.1 of the company's Current Report on Form 8-K filed on September 23, 2019).
10.27	*Purchase Agreement, dated November 12, 2019, among AbbVie Inc. and Morgan Stanley & Co. LLC, BofA Securities, Inc. and Barclays Capital Inc. (acting for themselves and as representatives of the several initial purchasers named therein) (incorporated by reference to Exhibit 1.1 of the company's Current Report on Form 8-K filed on November 13, 2019).
10.28	*Form of AbbVie Inc. Performance-Vested Restricted Stock Unit Agreement (incorporated by reference to Exhibit 10.1 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021). **
10.29	*Form of AbbVie Inc. Performance Share Award Agreement (incorporated by reference to Exhibit 10.2 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021).**
10.30	*Form of AbbVie Inc. Non-Employee Director RSU Agreement (US) (incorporated by reference to Exhibit 10.3 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021).**
10.31	*Form of AbbVie Inc. Non-Qualified Stock Option Agreement (incorporated by reference to Exhibit 10.4 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021).**
10.32	*Form of AbbVie Inc. Retention RSU Agreement - Ratable Vesting (incorporated by reference to Exhibit 10.5 of the company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021).**
21	Subsidiaries of AbbVie Inc.
23	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer Required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).

**Exhibit
Number****Exhibit Description**

- 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. Annual Report on Form 10-K for the year ended December 31, 2021 filed on February 18, 2022, formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Earnings; (ii) Consolidated Statements of Comprehensive Income; (iii) Consolidated Balance Sheets; (iv) Consolidated Statements of Equity; (v) Consolidated Statements of Cash Flows; and (vi) the Notes to Consolidated Financial Statements.
- 104 Cover Page Interactive Data File (the cover page from the AbbVie Inc. Annual Report on Form 10-K formatted as Inline XBRL and contained in Exhibit 101).
The AbbVie Inc. 2021 Definitive Proxy Statement will be filed with the Securities and Exchange Commission under separate cover on or about March 21, 2022.

* Incorporated herein by reference. Commission file number 001-35565.

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

Exhibits 32.1 and 32.2, above, are furnished herewith and should not be deemed to be "filed" under the Securities Exchange Act of 1934. AbbVie will furnish copies of any of the above exhibits to a stockholder upon written request to the Secretary, AbbVie Inc., 1 North Waukegan Road, North Chicago, Illinois 60064.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, AbbVie Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AbbVie Inc.

By: /s/ RICHARD A. GONZALEZ
Name: Richard A. Gonzalez
Title: Chairman of the Board and
Chief Executive Officer
Date: February 18, 2022

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of AbbVie Inc. on February 18, 2022 in the capacities indicated below.

/s/ RICHARD A. GONZALEZ

Richard A. Gonzalez
Chairman of the Board and
Chief Executive Officer
(Principal Executive Officer)

/s/ BRIAN L. DURKIN

Brian L. Durkin
Vice President, Controller
(Principal Accounting Officer)

/s/ ROBERT J. ALPERN, M.D.

Robert J. Alpern, M.D.
Director of AbbVie Inc.

/s/ WILLIAM H.L. BURNSIDE

William H.L. Burnside
Director of AbbVie Inc.

/s/ BRETT J. HART

Brett J. Hart
Director of AbbVie Inc.

/s/ MELODY B. MEYER

Melody B. Meyer
Director of AbbVie Inc.

/s/ REBECCA B. ROBERTS

Rebecca B. Roberts
Director of AbbVie Inc.

/s/ FREDERICK H. WADDELL

Frederick H. Waddell
Director of AbbVie Inc.

/s/ ROBERT A. MICHAEL

Robert A. Michael
Vice Chairman, Finance and Commercial Operations and
Chief Financial Officer
(Principal Financial Officer)

/s/ ROXANNE S. AUSTIN

Roxanne S. Austin
Director of AbbVie Inc.

/s/ THOMAS C. FREYMAN

Thomas C. Freyman
Director of AbbVie Inc.

/s/ EDWARD M. LIDDY

Edward M. Liddy
Director of AbbVie Inc.

/s/ EDWARD J. RAPP

Edward J. Rapp
Director of AbbVie Inc.

/s/ GLENN F. TILTON

Glenn F. Tilton
Director of AbbVie Inc.

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

AbbVie Inc. ("AbbVie," "we," "us" and "our") has the following classes of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): Common Stock, the 2023 Notes, the May 2024 Notes, the June 2024 Notes, the 2027 Notes, the 2.625% November 2028 Notes, the 2.125% November 2028 Notes, the 2029 Notes and the 2031 Notes (each as defined below).

DESCRIPTION OF CAPITAL STOCK

The following description of the material terms of our capital stock is a summary only and is qualified in its entirety by reference to the relevant provisions of the General Corporation Law of Delaware, as amended (the "DGCL"), our Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and our Amended and Restated By-laws (as amended, the "By-laws"). You should refer to the Certificate of Incorporation and the By-laws, both of which we have filed as an exhibit to our Annual Report on Form 10-K. In addition, you should refer to the DGCL, which may also affect the terms of our capital stock.

General

AbbVie is authorized to issue up to 4 billion shares of common stock, par value \$0.01 per share ("Common Stock"), and 200 million shares of preferred stock, par value \$0.01 per share ("Preferred Stock"), all of which shares of Preferred Stock are undesignated. AbbVie's board of directors may establish the rights and preferences of the Preferred Stock from time to time. The Common Stock is listed on the New York Stock Exchange and the Chicago Stock Exchange under the symbol "ABBV."

Common Stock***Voting Rights***

Each holder of Common Stock is entitled to one vote for each share on all matters to be voted upon by the common stockholders, and there are no cumulative voting rights. Except as otherwise provided by law, the Certificate of Incorporation or the By-laws, in all matters other than the election of directors, the affirmative vote of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote on the matter shall be the act of the stockholders.

Dividend Rights

Subject to any preferential rights of any outstanding Preferred Stock, holders of Common Stock are entitled to receive ratably the dividends, if any, as may be declared from time to time by its board of directors out of funds legally available for that purpose.

Liquidation Rights

If there is a liquidation, dissolution or winding up of AbbVie, holders of Common Stock would be entitled to a ratable distribution of its assets remaining after the payment in full of liabilities and any preferential rights of any then outstanding Preferred Stock.

Preemptive and Other Rights; Sinking Fund

Holders of Common Stock have no preemptive or conversion rights or other subscription rights, and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of Common Stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of Preferred Stock that AbbVie may designate and issue in the future.

Preferred Stock

Under the terms of the Certificate of Incorporation, our board of directors is authorized, subject to limitations prescribed by the DGCL and the Certificate of Incorporation, to issue up to 200 million shares of Preferred Stock in one or more series without further action by the holders of our Common Stock. Our board of directors has the discretion, subject to limitations prescribed by the DGCL and the Certificate of Incorporation, to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of Preferred Stock.

Anti-Takeover Effects of Various Provisions of Delaware Law and AbbVie's Certificate of Incorporation and By-Laws

Provisions of the DGCL, the Certificate of Incorporation and the By-Laws could make it more difficult to acquire AbbVie by means of a tender offer, a proxy contest or otherwise, or to remove incumbent officers and directors. These provisions, summarized below, are expected to discourage certain types of coercive takeover practices and takeover bids that AbbVie's board of directors may consider inadequate and to encourage persons seeking to acquire control of AbbVie to first negotiate with our board of directors.

Delaware Anti-Takeover Statute

AbbVie is subject to Section 203 of the DGCL, an anti-takeover statute. In general, Section 203 of the DGCL prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the time the person became an interested stockholder, unless the business combination or the acquisition of shares that resulted in a stockholder becoming an interested stockholder is approved in a prescribed manner. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns (or within three years prior to the determination of interested stockholder status did own) fifteen percent (15%) or more of a corporation's voting stock. The existence of this provision would be expected to have an anti-takeover effect with respect to transactions not approved in advance by AbbVie's board of directors, including discouraging attempts that might result in a premium over the market price for the shares of Common Stock held by AbbVie's stockholders.

Board Structure

The Certificate of Incorporation and By-laws provide that AbbVie's board of directors be divided into three classes. At any meeting of stockholders for the election of directors at which a quorum is present, the election will be determined by a majority of the votes cast by the stockholders entitled to vote in the election, with directors not receiving a majority of the votes cast required to tender their resignations for consideration by AbbVie's board of directors, except that in the case of a contested election, the election will be determined by a plurality of the votes cast by the stockholders entitled to vote in the election. Under the classified board provisions, it would take at least two elections of directors for any individual or group to gain control of our board of directors. Accordingly, these provisions could discourage a third party from initiating a proxy contest, making a tender offer or otherwise attempting to gain control of AbbVie.

Removal of Directors

The By-laws provide that AbbVie's stockholders may only remove its directors for cause.

Amendments to Certificate of Incorporation

The Certificate of Incorporation provides that the affirmative vote of the holders of at least eighty percent (80%) of AbbVie's voting stock then outstanding is required to amend certain provisions relating to the number, term and removal of its directors, the filling of its board vacancies, the calling of special meetings of stockholders, stockholder action by written consent, and director and officer indemnification.

Amendments to By-Laws

The By-laws provide that they may be amended by AbbVie's board of directors or by the affirmative vote of holders of a majority of AbbVie's voting stock then outstanding, except that the affirmative vote of holders of at least eighty percent (80%) of AbbVie's voting stock then outstanding is required to amend certain provisions relating to the number, term and removal of AbbVie's directors, the filling of its board vacancies, the calling of special meetings of stockholders, stockholder action by written consent, and director and officer indemnification.

Size of Board and Vacancies

The By-laws provide that the number of directors on our board of directors will be fixed exclusively by its board of directors. Any vacancies created in its board of directors resulting from any increase in the authorized number of directors or the death, resignation, retirement, disqualification, removal from office or other cause will be filled by a majority of AbbVie's board of directors then in office, even if less than a quorum is present, or by a sole remaining director. Any director appointed to fill a vacancy on AbbVie's board of directors will be appointed for a term expiring at the next election of the class for which such director has been appointed, and until his or her successor has been elected and qualified.

Special Stockholder Meetings

The Certificate of Incorporation provides that only the chairman of AbbVie's board of directors, its chief executive officer, any president or its board of directors pursuant to a resolution adopted by a majority of the entire board of directors may call special meetings of AbbVie stockholders. Stockholders may not call special stockholder meetings.

Stockholder Action by Written Consent

The Certificate of Incorporation provides that any action of AbbVie's stockholders must be taken at an annual or special meeting of stockholders and may not be effected by written consent of the stockholders.

Requirements for Advance Notification of Stockholder Nominations and Proposals

The By-laws establish advance notice procedures with respect to stockholder proposals and nomination of candidates for election as directors other than nominations made by or at the direction of its board of directors or a committee of its board of directors.

No Cumulative Voting

The DGCL provides that stockholders are denied the right to cumulate votes in the election of directors unless the company's certificate of incorporation provides otherwise. The Certificate of Incorporation does not provide for cumulative voting.

Authorized but Unissued Shares

Our authorized but unissued shares of Common Stock and Preferred Stock are available for future issuance without shareholder approval. The existence of authorized but unissued shares of Common Stock and Preferred Stock could discourage attempts by third parties to obtain control of AbbVie through a merger, tender offer, proxy contest or otherwise by making such attempts more difficult or more costly. For instance, our board of directors may be able to issue Preferred Stock with voting rights or conversion rights that, if exercised, could adversely affect the voting power of the holders of Common Stock.

Other Matters

Limitations on Liability, Indemnification of Officers and Directors, and Insurance

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties as directors, and the Certificate of Incorporation includes such an exculpation provision. The Certificate of Incorporation and By-Laws include provisions that indemnify, to the fullest extent allowable under the DGCL, the personal liability of directors or officers for monetary damages for actions taken as a director or officer of AbbVie, or for serving at AbbVie's request as a director or officer or another position at another corporation or enterprise, as the case may be. The Certificate of Incorporation and Bylaws also provide that AbbVie must indemnify and advance reasonable expenses to its directors and officers, subject to an undertaking from the indemnified party as may be required under the DGCL. The By-laws expressly authorize AbbVie to carry directors' and officers' insurance to protect AbbVie, its directors, officers and certain employees for some liabilities.

The limitation of liability and indemnification provisions that are in the Certificate of Incorporation and By-laws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions may also have the effect of reducing the likelihood of derivative litigation against AbbVie's directors and officers, even though such an action, if successful, might otherwise benefit AbbVie and its stockholders. However, these provisions do not limit or eliminate AbbVie's rights, or those of any stockholder, to seek non-monetary relief such as injunction or rescission in the event of a breach of a director's duty of care. The provisions also do not alter the liability of directors under the federal securities laws.

Exclusive Forum

The Certificate of Incorporation provides that unless the board of directors otherwise determines, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any derivative action or proceeding brought on behalf of AbbVie, any action asserting a claim of breach of a fiduciary duty owed by any director or officer of AbbVie to AbbVie or AbbVie's stockholders, creditors or other constituents, any action asserting a claim against AbbVie or any director or officer of AbbVie arising pursuant to any provision of the DGCL or the Certificate of Incorporation or By-laws, or any action asserting a claim against AbbVie or any director or officer of AbbVie governed by the internal affairs doctrine. However, if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, the action may be brought in another court sitting in the State of Delaware. This exclusive forum provision is not intended to apply to any actions brought in federal court under the Securities Act of 1933, as amended, or under the Exchange Act.

DESCRIPTION OF NOTES

The following description of our 1.500% Senior Notes due 2023 (the "2023 Notes"), our 1.375% Senior Notes due 2024 (the "May 2024 Notes"), our 1.250% Senior Notes due 2024 (the "June 2024 Notes"), our 0.750% Senior Notes due 2027 (the "2027 Notes"), our 2.625% Senior Notes due 2028 (the "2.625% November 2028 Notes"), our 2.125% Senior Notes due 2028 (the "2.125% November 2028 Notes"), our 2.125% Senior Notes due 2029 (the "2029 Notes") and our 1.250% Senior Notes due 2031 (the "2031 Notes," and together with the 2023 Notes, the May 2024 Notes, the June 2024 Notes, the 2027 Notes, the 2.625% November 2028 Notes, the 2.125% November 2028 Notes and the 2029 Notes, the "Notes") is a summary and does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the provisions of the Notes and the Indenture, dated as of November 8, 2012, between AbbVie and U.S. Bank National Association, as trustee (the "Trustee") (the "Base Indenture"), as supplemented, in the case of the May 2024 Notes and the 2.125% November 2028 Notes, by Supplemental Indenture No. 4, dated as of November 17, 2016, among AbbVie, the Trustee, Elavon Financial Services DAC, U.K. Branch, as paying agent (the "London Paying Agent"), and Elavon Financial Services DAC, as transfer agent and registrar ("Supplemental Indenture No. 4"), as supplemented, in the case of the 2027 Notes and the 2031 Notes, by Supplemental Indenture No. 6, dated as of September 26, 2019, among AbbVie, the Trustee, U.S. Bank National Association, as transfer agent and registrar (the "Registrar"), and the London Paying Agent ("Supplemental Indenture No. 6"), and as supplemented, in the case of the 2023 Notes, the June 2024 Notes, the 2.625% November 2028 Notes and the 2029 Notes, by Supplemental Indenture No. 9, dated as of May 14, 2020, among AbbVie, the Trustee, the Registrar and the London Paying Agent ("Supplemental Indenture No. 9"), which are incorporated by reference as exhibits to our Annual Report on Form 10-K, including the definitions of certain terms therein and those terms made part thereof by the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The Base Indenture, together with Supplemental Indenture No. 4, Supplemental Indenture No. 6 or Supplemental Indenture No. 9, as applicable, is herein referred to as the "Indenture." We encourage you to read the Indenture for additional information. In this description all references to "AbbVie," "we," "our" and "us" mean AbbVie Inc. only.

General

AbbVie issued €409,028,000 aggregate principal amount of 2023 Notes on November 19, 2020. The 2023 Notes will mature on November 15, 2023. Interest on the 2023 Notes accrues at the rate of 1.500% per annum.

AbbVie issued €1,450,000,000 aggregate principal amount of May 2024 Notes on November 17, 2016. The May 2024 Notes will mature on May 17, 2024. Interest on the May 2024 Notes accrues at the rate of 1.375% per annum.

AbbVie issued €577,719,000 aggregate principal amount of June 2024 Notes on November 19, 2020. The June 2024 Notes will mature on June 1, 2024. Interest on the June 2024 Notes accrues at the rate of 1.250% per annum.

AbbVie issued €750,000,000 aggregate principal amount of 2027 Notes on September 26, 2019. The 2027 Notes will mature on November 18, 2027. Interest on the 2027 Notes accrues at the rate of 0.750% per annum.

AbbVie issued €427,793,000 aggregate principal amount of 2.625% November 2028 Notes on November 19, 2020. The 2.625% November 2028 Notes will mature on November 15, 2028. Interest on the 2.625% November 2028 Notes accrues at the rate of 2.625% per annum.

AbbVie issued €750,000,000 aggregate principal amount of 2.125% November 2028 Notes on November 17, 2016. The 2.125% November 2028 Notes will mature on November 17, 2028. Interest on the 2.125% November 2028 Notes accrues at the rate of 2.125% per annum.

AbbVie issued €506,088,000 aggregate principal amount of 2029 Notes on November 19, 2020. The 2029 Notes will mature on June 1, 2029. Interest on the 2029 Notes accrues at the rate of 2.125% per annum.

AbbVie issued €650,000,000 aggregate principal amount of 2031 Notes on September 26, 2019. The 2031 Notes will mature on November 18, 2031. Interest on the 2031 Notes accrues at the rate of 1.250% per annum.

The Notes were issued in fully registered form only in denominations of €100,000 and integral multiples of €1,000 in excess thereof.

In the future, AbbVie may, without the consent of the holders, increase the principal amounts of any series of Notes. The Notes of each series and any additional Notes of such series subsequently issued under the Indenture will be treated as a single series or class for all purposes under the Indenture, including, without limitation, waivers, amendments and redemptions, provided that if any such additional Notes are not fungible with the existing Notes for United States federal income tax purposes, such additional Notes will have a separate CUSIP number.

The Indenture limits neither the amount of debt that AbbVie may issue under the Indenture, nor the amount of other debt or securities that AbbVie or any of its subsidiaries may issue. AbbVie may issue debt securities under the Indenture from time to time in one or more series, each in an amount authorized prior to issuance. Other than the restrictions contained in the Indenture on secured debt and sale/leaseback transactions described below under "Certain Covenants of AbbVie," and the restrictions described below under "Consolidation, Merger and Sale of Assets," the Indenture does not contain any covenants or other provisions designed to protect holders of the debt securities in the event AbbVie participates in a highly leveraged transaction. In addition, the Indenture does not limit AbbVie's ability to guarantee any indebtedness of its subsidiaries or any other person.

Interest

Interest is payable in arrears on (i) June 1 of each year for the June 2024 Notes and the 2029 Notes, (ii) November 15 of each year for the 2023 Notes and the 2.625% November 2028 Notes, (iii) May 17 of each year for the May 2024 Notes, (iv) November 17 of each year for the 2.125% November 2028 Notes and (v) November 18 of each year for the 2027 Notes and the 2031 Notes, to the persons in whose names the Notes are registered at the close of business on the date that is (i) in the case of Notes represented by a global note in registered form ("Global Note"), the clearing system business day (which, for these purposes, is a day on which Euroclear SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream, Luxembourg") settle payments in euro) immediately prior to the relevant interest payment date and (ii) in all other cases, 15 calendar days prior to the relevant interest payment date (whether or not a business day) (such day, the "Record Date").

Interest on the Notes shall be determined on the basis of the actual number of days in the period for which interest is being calculated, and including the last date on which interest was paid or duly provided for on the Notes, but excluding the next following interest payment date. This payment convention is referred to as ACTUAL/ACTUAL (ICMA) as defined in the rulebook of the International Capital Market Association.

Unless otherwise indicated, the term "business day" means any day, other than a Saturday or Sunday, (i) which is not a day on which banking institutions in The City of New York or London are authorized or required by law or executive order to close and (ii) on which the Trans-European Automated Realtime Gross Settlement Express Transfer system, or the TARGET2 system, or any successor thereto, operates.

Optional Redemption

At any time prior to the Par Call Date applicable to the 2027 Notes and the 2031 Notes, AbbVie may redeem some or all of the Notes of such series at its option, in each case, at AbbVie's option, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes of that series to be redeemed; and
- the sum of the present values of the remaining scheduled payments (through the Par Call Date with respect to such Notes assuming for such purpose that such Notes matured on the applicable

Par Call Date) of principal and interest on the Notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below) plus 25 basis points for the 2027 Notes and 30 basis points for the 2031 Notes.

At any time prior to the Par Call Date applicable to the 2023 Notes, the May 2024 Notes, the June 2024 Notes, the 2.625% November 2028 Notes, the 2.125% November 2028 Notes and the 2029 Notes, AbbVie may redeem some or all of the Notes of such series at its option, in each case, at AbbVie's option, at a redemption price equal to the greater of:

- 100% of the principal amount of the Notes of that series to be redeemed; and
- the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis (ACTUAL/ACTUAL (ICMA)) at the applicable Comparable Government Bond Rate (as defined below) plus 25 basis points for the 2023 Notes, the May 2024 Notes and the June 2024 Notes, 35 basis points for the 2.625% November 2028 Notes and 30 basis points for the 2.125% November 2028 Notes and the 2029 Notes.

In each case, AbbVie will pay accrued and unpaid interest on the principal amount being redeemed to, but excluding, the date of redemption.

In addition, at any time on or after the Par Call Date applicable to a series of Notes, AbbVie may redeem some or all of the Notes of such series, at its option, in each case at a redemption price equal to 100% of the principal amount of the Notes of that series to be redeemed, plus, in each case, accrued and unpaid interest on the principal amount being redeemed to, but excluding, the date of redemption.

For purposes of the foregoing discussion of optional redemption, the following definitions are applicable:

"Comparable Government Bond" means, in relation to any Comparable Government Bond Rate calculation, at the discretion of an independent investment bank selected by us, a bond that is a direct obligation of the Federal Republic of Germany ("German government bond"), whose maturity is closest to the maturity of the notes, or if such independent investment bank in its discretion determines that such similar bond is not in issue, such other German government bond as such independent investment bank may, with the advice of three brokers of, and/or market makers in, German government bonds selected by us, determine to be appropriate for determining the Comparable Government Bond Rate.

"Comparable Government Bond Rate" means the yield to maturity, expressed as a percentage (rounded to three decimal places, with 0.0005 being rounded upwards), on the third business day prior to the date fixed for redemption, of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (London time) on such business day as determined by an independent investment bank selected by us.

"Par Call Date" means (i) with respect to the 2023 Notes, October 15, 2023 (one month prior to the maturity date of the 2023 Notes), (ii) with respect to the May 2024 Notes, February 17, 2024 (three months prior to the maturity date of the May 2024 Notes), (iii) with respect to the June 2024 Notes, March 1, 2024 (three months prior to the maturity date of the June 2024 Notes), (iv) with respect to the 2027 Notes, August 18, 2027 (three months prior to the maturity date of the 2027 Notes), (v) with respect to the 2.625% November 2028 Notes, August 15, 2028 (three months prior to the maturity date of the 2.625% November 2028 Notes), (vi) with respect to the 2.125% November 2028 Notes, August 17, 2028 (three months prior to the maturity date of the 2.125% November 2028 Notes), (vii) with respect to the 2029 Notes, March 1, 2029 (three months prior to the maturity date of the 2029 Notes) and (viii) with respect to the 2031 Notes, August 18, 2031 (three months prior to the maturity date of the 2031 Notes).

In the case of the May 2024 Notes, the 2027 Notes, the 2.125% November 2028 Notes and the 2031 Notes, the notice of redemption will be mailed at least 30 but not more than 60 days before the redemption date (i) in the case of Notes represented by a Global Note, to and through Euroclear or Clearstream, Luxembourg for communication by them to the holders of interests in the Notes, or (ii) in the case of notes in definitive form ("Definitive Notes"), to each holder of record of the Notes to be redeemed at its registered address.

In the case of the 2023 Notes, the June 2024 Notes, the 2.625% November 2028 Notes and the 2029 Notes, the notice of redemption will be mailed at least 15 but not more than 60 days before the redemption date (i) in the case of Notes represented by a Global Note, to and through Euroclear or Clearstream, Luxembourg for communication by them to the holders of interests in the Notes, or (ii) in the case of Definitive Notes, to each holder of record of the Notes to be redeemed at its registered address.

The notice of redemption for the Notes will state, among other things, the series and amount of Notes to be redeemed, the redemption date, the redemption price and the place or places that payment will be made upon presentation and surrender of Notes to be redeemed.

Any redemption or notice of redemption in the case of the 2023 Notes, the June 2024 Notes, the 2.625% November 2028 Notes and the 2029 Notes may, at AbbVie's discretion, be subject to one or more conditions precedent, and, at AbbVie's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied. AbbVie shall provide written notice to the Trustee prior to the close of business two business days prior to the redemption date if any such redemption has been rescinded or delayed, and upon receipt the Trustee shall provide such notice to each holder of the 2023 Notes, the June 2024 Notes, the 2.625% November 2028 Notes and the 2029 Notes, as applicable, in the same manner in which the notice of redemption was given.

Unless AbbVie defaults in the payment of the redemption price, interest will cease to accrue on any Notes that have been called for redemption at the redemption date. If fewer than all of the Notes of a series are to be redeemed at any time, (i) in the case of Notes represented by a Global Note, the Notes will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), or (ii) in the case of Definitive Notes, the Trustee will select (in the case of the May 2024 Notes, the 2027 Notes, the 2.125% November 2028 Notes and the 2031 Notes, not more than 45 days prior to the redemption date, and in the case of the 2023 Notes, the June 2024 Notes, the 2.625% November 2028 Notes and the 2029 Notes, not more than 30 days prior to the redemption date), the particular Notes or portions thereof for redemption from the outstanding Notes not previously redeemed by random lot.

Payment of Additional Amounts

AbbVie will, subject to the exceptions and limitations set forth below, pay as additional interest on each series of the Notes such additional amounts as are necessary in order that the net amount of the principal of, and premium, if any, and interest on such Notes received by a beneficial owner who is not a U.S. person (as defined below), after withholding or deduction for any future tax, assessment or other governmental charge imposed by the United States or a taxing authority in the United States, will not be less than the amount provided in the Notes to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts shall not apply:

- (1) to any tax, assessment or other governmental charge that would not have been imposed but for the holder (or the beneficial owner for whose benefit such holder holds such Note), or a fiduciary, settlor, beneficiary, member or shareholder of the holder if the holder is an estate, trust, partnership or corporation, or a person holding a power over an estate or trust administered by a fiduciary holder, being considered as:
 - (a) being or having been engaged in a trade or business in the United States or having or having had a permanent establishment in the United States;

- (b) having a current or former connection with the United States (other than a connection arising solely as a result of the ownership of the Notes or the receipt of any payment or the enforcement of any rights thereunder), including being or having been a citizen or resident of the United States;
 - (c) being or having been a personal holding company, a passive foreign investment company or a controlled foreign corporation for U.S. federal income tax purposes or a corporation that has accumulated earnings to avoid U.S. federal income tax;
 - (d) being or having been a “10-percent shareholder” of AbbVie as defined in section 871(h)(3) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), or any successor provision; or
 - (e) being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- (2) to any holder that is not the sole beneficial owner of the Notes, or a portion of the Notes, or that is a fiduciary, partnership or limited liability company, but only to the extent that a beneficial owner with respect to the holder, a beneficiary or settlor with respect to the fiduciary, or a beneficial owner or member of the partnership or limited liability company would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner or member received directly its beneficial or distributive share of the payment;
 - (3) to any tax, assessment or other governmental charge that would not have been imposed but for the failure of the holder or beneficial owner or any other person to comply with certification, identification or information reporting requirements concerning the nationality, residence, identity or connection with the United States of the holder or beneficial owner of the Notes, if compliance is required by statute, by regulation of the United States or any taxing authority therein or by an applicable income tax treaty to which the United States is a party as a precondition to exemption from such tax, assessment or other governmental charge;
 - (4) to any tax, assessment or other governmental charge that is imposed otherwise than by withholding by AbbVie or a paying agent from the payment;
 - (5) to any tax, assessment or other governmental charge that would not have been imposed but for a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;
 - (6) to any estate, inheritance, gift, sales, excise, transfer, wealth, capital gains or personal property tax or similar tax, assessment or other governmental charge;
 - (7) to any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of or interest on any Note, if such payment can be made without such withholding by at least one other paying agent;
 - (8) to any tax, assessment or other governmental charge that would not have been imposed but for the presentation by the holder of any Note, where presentation is required, for payment on a date more than 30 days after the date on which payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;
 - (9) to any tax, assessment or other governmental charge that would not have been imposed or withheld but for the beneficial owner being a bank (i) purchasing the Notes in the ordinary course of its lending business or (ii) that is neither (A) buying the Notes for investment purposes

only nor (B) buying the Notes for resale to a third-party that either is not a bank or holding the Notes for investment purposes only;

- (10) to any tax, assessment or other governmental charge imposed under Sections 1471 through 1474 of the Code (or any amended or successor provisions), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, any intergovernmental agreement entered into in connection with the implementation of such sections of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any such intergovernmental agreement; or
- (11) in the case of any combination of items (1), (2), (3), (4), (5), (6), (7), (8), (9) and (10).

The Notes are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable to the Notes. Except as specifically provided under this heading “—Payment of Additional Amounts,” AbbVie is not required to make any payment for any tax, assessment or other governmental charge imposed by any government or a political subdivision or taxing authority of or in any government or political subdivision.

As used under this heading “—Payment of Additional Amounts” and under the heading “—Redemption for Tax Reasons”, the term “United States” means the United States of America, the states of the United States, and the District of Columbia, and the term “U.S. person” means any individual who is a citizen or resident of the United States for U.S. federal income tax purposes, a corporation, partnership or other entity created or organized in or under the laws of the United States, any state of the United States or the District of Columbia, or any estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Redemption for Tax Reasons

If, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated under the laws) of the United States (or any taxing authority in the United States), or any change in, or amendment to, an official position or judicial precedent regarding the application or interpretation of such laws, regulations or rulings, which change or amendment is announced or becomes effective on or after (i) in the case of the May 2024 Notes, the 2027 Notes, the 2.125% November 2028 Notes and the 2031 Notes, the initial issuance of such series of Notes and (ii) in the case of the 2023 Notes, the June 2024 Notes, the 2.625% November 2028 Notes and the 2029 Notes, October 25, 2019, AbbVie becomes or, based upon a written opinion of independent counsel selected by it, will become obligated to pay additional amounts as described under the heading “—Payment of Additional Amounts” with respect to such series of Notes, then AbbVie may at any time at its option redeem, in whole, but not in part, the Notes of such series on not less than 30 nor more than 60 days' prior notice, (i) in the case of Notes represented by a Global Note, to and through Euroclear or Clearstream, Luxembourg for communication by them to the holders of interests in the Notes to be so redeemed, or (ii) in the case of Definitive Notes, to each holder of record of the Notes to be redeemed at its registered address, at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest to the redemption date.

Open Market Purchases

AbbVie or any of its affiliates may at any time and from time to time purchase Notes in the open market or otherwise.

Sinking Fund

There is no provision for a sinking fund for any of the Notes.

Ranking

The Notes are unsecured, unsubordinated obligations of AbbVie and:

- rank equally in right of payment with all of AbbVie's existing and future unsecured, unsubordinated indebtedness, liabilities and other obligations;
- rank senior in right of payment to all of AbbVie's future indebtedness that is subordinated to the Notes;
- are effectively subordinated in right of payment to all of AbbVie's existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness; and
- are structurally subordinated in right of payment to all existing and future indebtedness, liabilities and other obligations of AbbVie's subsidiaries.

Issuance in Euro

All payments of principal of, and premium, if any, and interest on, the Notes, including payments made upon any redemption of the Notes, are payable in euro. If, on or after the date of the initial issuance of the Notes, we are unable to obtain euro in amounts sufficient to make a required payment under the Notes due to the imposition of exchange controls or other circumstances beyond our control (including the dissolution of the European Monetary Union) or if the euro is no longer being used by the then member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the Notes will be made in U.S. dollars until the euro is again available to us or so used. In such circumstances, the amount payable on any date in euro will be converted into U.S. dollars at the rate mandated by the U.S. Federal Reserve Board as of the close of business on the second business day prior to the relevant payment date or, in the event the U.S. Federal Reserve Board has not mandated a rate of conversion, on the basis of the then most recent U.S. dollar/euro exchange rate available on or prior to the second business day prior to the relevant payment date as determined by us in our sole discretion. Any payment in respect of the Notes so made in U.S. dollar will not constitute an Event of Default under the Notes or the Indenture. Neither the Trustee nor the London Paying Agent shall have any responsibility for any calculation or conversion in connection with the foregoing.

Certain Covenants of AbbVie

Restrictions on Secured Debt

If AbbVie or any Domestic Subsidiary incurs, issues, assumes or guarantees any indebtedness for borrowed money represented by notes, bonds, debentures or other similar evidences of indebtedness for borrowed money (called "Debt") and that Debt is secured by a Mortgage on any Principal Domestic Property or any shares of stock or Debt of any Domestic Subsidiary, AbbVie will secure, or cause its Domestic Subsidiary to secure, the Notes equally and ratably with, or prior to, such secured Debt, so long as such secured Debt shall be so secured, unless, after giving effect thereto, the aggregate amount of all such secured Debt, plus all Attributable Debt in respect of Sale and Leaseback Transactions involving Principal Domestic Properties (other than Sale and Leaseback Transactions permitted pursuant to the second bullet under the heading "Restrictions on Sale and Leasebacks" below), would not exceed 15% of AbbVie's Consolidated Net Assets. This restriction does not apply to, and there shall be excluded from secured Debt in any computation under this restriction, Debt secured by:

- Mortgages on property of, or on any shares of stock or Debt of, any Person existing at the time such Person becomes a Domestic Subsidiary;
- Mortgages in favor of AbbVie or any Subsidiary thereof;

- Mortgages on property of AbbVie or a Domestic Subsidiary in favor of the United States of America or any State thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any State thereof, or in favor of any other country, or any political subdivision thereof, to secure partial, progress, advance or other payments pursuant to any contract or statute;
- Mortgages on property, shares of stock or Debt existing at the time of acquisition thereof (including acquisition through merger or consolidation);
- Mortgages to secure the payment of all or any part of the cost of acquisition, construction, development or improvement of the underlying property, or to secure debt incurred to provide funds for any such purpose, provided that the commitment of the creditor to extend the credit secured by any such Mortgage shall have been obtained not later than 365 days after the later of (a) the completion of the acquisition, construction, development or improvement of such property or (b) the placing in operation of such property;
- with respect to each series of Notes, Mortgages existing on the first date on which a Note of such series was authenticated by the Trustee under the Indenture;
- Mortgages incurred in connection with pollution control, industrial revenue or similar financings;
- Mortgages created in substitution of or as replacements for any Mortgages referred to in the foregoing list, inclusive, provided that, based on a good faith determination of an officer of AbbVie, the property encumbered under any such substitute or replacement Mortgage is substantially similar in nature to the property encumbered by the otherwise permitted Mortgage which is being replaced; and
- any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Debt secured by any Mortgage referred to in the foregoing list, inclusive, provided that (i) such extension, renewal or replacement Mortgage shall be limited to all or a part of the same property, shares of stock or debt that secured the Mortgage extended, renewed or replaced (plus improvements on such property, and plus any property relating to a specific project, the completion of which is funded pursuant to clause (ii)(b) below), and (ii) the Debt secured by such Mortgage at such time is not increased (other than (a) by an amount equal to any related financing costs (including, but not limited to, the accrued interest and premium, if any, on the Debt being refinanced) and (b) where an additional principal amount of Debt is incurred to provide funds for the completion of a specific project that is subject to a Mortgage securing the Debt being extended, refinanced or renewed, by an amount equal to such additional principal amount).

Restrictions on Sales and Leasebacks

Neither AbbVie nor any Domestic Subsidiary may enter into any Sale and Leaseback Transaction unless either:

- AbbVie or such Domestic Subsidiary could incur Debt secured by a Mortgage under the restrictions described above under "Restrictions on Secured Debt" on the Principal Domestic Property to be leased back in an amount equal to the Attributable Debt with respect to such Sale and Leaseback Transaction without equally and ratably securing the Notes; or
- AbbVie, within 180 days after the sale or transfer by AbbVie or by any such Domestic Subsidiary, applies to the retirement of AbbVie's Funded Debt, an amount equal to the greater of (1) the net proceeds of the sale of the Principal Domestic Property sold and leased back pursuant to such arrangement; or (2) the fair market value of the Principal Domestic Property so sold and leased

back at the time of entering into such arrangements (as determined by any two of the following: the chairman of the board of AbbVie, its chief executive officer, an executive vice president, a senior vice president or a vice president, and the chief financial officer, the treasurer or an assistant treasurer), subject to credits for certain voluntary retirements of Funded Debt.

Certain Definitions

The following are the meanings of terms that are important in understanding the restrictive covenants of AbbVie:

- “Attributable Debt” means (except as otherwise provided in this paragraph), as to any particular lease under which any Person is at the time liable for a term of more than 12 months, at any date as of which the amount thereof is to be determined (the “Determination Date”), the total net amount of rent required to be paid by such Person under such lease during the remaining term thereof (excluding any subsequent renewal or other extension options held by the lessee), discounted from the respective due dates thereof to the Determination Date at the rate of 8% per annum, compounded monthly. The net amount of rent required to be paid under any such lease for any such period shall be the aggregate amount of the rent payable by the lessee with respect to such period after excluding amounts required to be paid on account of maintenance and repairs, services, insurance, taxes, assessments, water rates and similar charges and contingent rents (such as those based on sales or monetary inflation). If any lease is terminable by the lessee upon the payment of a penalty, if under the terms of the lease the termination right is not exercisable until after the Determination Date, and if the amount of such penalty discounted to the Determination Date at the rate of 8% per annum compounded monthly is less than the net amount of rentals payable after the time as of which such termination could occur (the “Termination Time”) discounted to the Determination Date at the rate of 8% per annum compounded monthly, then such discounted penalty amount shall be used instead of such discounted amount of net rentals payable after the Termination Time in calculating the Attributable Debt for such lease. If any lease is terminable by the lessee upon the payment of a penalty, if such termination right is exercisable on the Determination Date, and if the amount of the net rentals payable under such lease after the Determination Date discounted to the Determination Date at the rate of 8% per annum compounded monthly is greater than the amount of such penalty, the “Attributable Debt” for such lease as of such Determination Date shall be equal to the amount of such penalty.
- “Consolidated Net Assets” means the aggregate amount of assets (less applicable reserves and other properly deductible items) after deducting therefrom all current liabilities, as set forth on the consolidated balance sheet of AbbVie and its consolidated Subsidiaries prepared as of the end of a fiscal quarter in accordance with generally accepted accounting principles, which AbbVie shall have most recently filed with the Securities and Exchange Commission or otherwise distributed to its shareholders prior to the time as of which “Consolidated Net Assets” shall be determined (which calculation shall give pro forma effect to any acquisition by or disposition of assets of AbbVie or any of its Subsidiaries involving the payment or receipt by AbbVie or any of its Subsidiaries, as applicable, of consideration (whether in the form of cash or non-cash consideration) in excess of \$500,000,000 that has occurred since the end of such fiscal quarter, as if such acquisition or disposition had occurred on the last day of such fiscal quarter).
- “Domestic Subsidiary” means any Subsidiary of AbbVie that transacts substantially all of its business or maintains substantially all of its property within the United States of America (excluding its territories and possessions and Puerto Rico); provided, however, that the term shall not include any Subsidiary which (1) is engaged primarily in the financing of operations outside of the United States of America or in leasing personal property or financing inventory, receivables or other property or (2) does not own a Principal Domestic Property.

- “Funded Debt” means indebtedness of AbbVie (other than the Notes or indebtedness subordinated in right of payment to the Notes) or indebtedness of a wholly-owned Domestic Subsidiary for borrowed money, having a stated maturity more than 12 months from the date of application of Sale and Leaseback Transaction proceeds or which is extendible at the option of the obligor thereon to a date more than 12 months from the date of such application.
- “Mortgage” means any mortgage, pledge, lien, security interest, conditional sale or other title retention agreement or other similar encumbrance.
- “Person” means any individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture, limited liability company or other entity, or a government or any political subdivision or agency thereof.
- “Principal Domestic Property” means any building, structure or other facility, together with the land upon which it is erected and fixtures comprising a part thereof, used primarily for manufacturing, processing, research, warehousing or distribution and located in the United States of America (excluding its territories and possessions and Puerto Rico), owned or leased by AbbVie or any Domestic Subsidiary and having a net book value which, on the date the determination as to whether a property is a Principal Domestic Property is being made, exceeds 2% of Consolidated Net Assets of AbbVie other than any such building, structure or other facility or a portion thereof (i) which is an air or water pollution control facility financed by State or local governmental obligations or (ii) which the chairman of the board, chief executive officer, an executive vice president, a senior vice president or a vice president and the chief financial officer, treasurer or assistant treasurer of AbbVie determine in good faith, at any time on or prior to such date, is not of material importance to the total business conducted, or assets owned, by AbbVie and its Subsidiaries as an entirety.
- “Sale and Leaseback Transaction” means any arrangement with any bank, insurance company or other lender or investor (not including AbbVie or any Subsidiary) or to which any such lender or investor is a party, providing for the leasing by AbbVie or any Domestic Subsidiary for a period, including renewals, in excess of three years of any Principal Domestic Property which has been or is to be sold or transferred, more than 180 days after the acquisition thereof or the completion of construction and commencement of full operation thereof, by AbbVie or any Domestic Subsidiary to such lender or investor or to any person to whom funds have been or are to be advanced by such lender or investor on the security of such Principal Domestic Property.
- “Subsidiary” means any Person which is a corporation, partnership, joint venture, limited liability company, trust or estate, and of which AbbVie directly or indirectly owns or controls stock or other interests, which under ordinary circumstances (not dependent upon the happening of a contingency) has the voting power to elect a majority of the board of directors, managers, trustees or equivalent of such Person; provided, however, that the term shall not include any such Person if and for so long as (i) such Person does not own a Principal Domestic Property and (ii) the chairman of the board, chief executive officer, an executive vice president, a senior vice president or a vice president and the chief financial officer, treasurer or assistant treasurer of AbbVie determine in good faith at least annually that the existing aggregate investments by AbbVie and its Domestic Subsidiaries (including all guarantees and other extensions of credit) in such Person are not of material importance to the total business conducted, or assets owned, by AbbVie and its Subsidiaries, as an entirety.
- “Trustee” means the Person named as the “Trustee” in the Indenture until a successor Trustee shall have become such pursuant to the applicable provisions of the Indenture, and thereafter “Trustee” shall mean or include each Person who is then a Trustee under the Indenture, and if at any time there is more than one such Person, “Trustee” as used with respect to the Notes of any series shall mean the Trustee with respect to the Notes of that series.

Consolidation, Merger and Sale of Assets

AbbVie shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless:

- the Person formed by such consolidation or into which AbbVie is merged or the Person which acquires by conveyance or transfer, or which leases, AbbVie's properties and assets substantially as an entirety shall be a corporation, limited liability company or partnership, shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume AbbVie's obligations on the Notes under a supplemental indenture;
- immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of AbbVie or a Subsidiary as a result of such transaction as having been incurred by AbbVie or such Subsidiary at the time of such transaction, no event of default, and no event which, after notice or lapse of time or both, would become an event of default, shall have happened and be continuing;
- if, as a result of any such consolidation or merger or such conveyance, transfer or lease, AbbVie's properties or assets would become subject to a mortgage, pledge, lien, security interest or other encumbrance which would not be permitted by the Indenture, AbbVie or such successor Person, as the case may be, shall take such steps as shall be necessary to effectively secure the Notes equally and ratably with, or prior to, all indebtedness secured thereby; and
- AbbVie has delivered to the Trustee an officers' certificate and an opinion of counsel stating compliance with these provisions.

Upon any consolidation of AbbVie with, or merger of AbbVie into, any other Person or any conveyance, transfer or lease of the properties and assets of AbbVie substantially as an entirety in accordance with the above provisions, the successor Person formed by such consolidation or into which AbbVie is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, AbbVie under the Indenture with the same effect as if such successor Person had been named in the Indenture, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under the Indenture and the Notes.

Events of Default

The Indenture defines an event of default with respect to any series of Notes as being:

- (1) failure to pay interest or premium on that series of Notes when due, continued for a period of 30 days;
- (2) failure to pay the principal on that series of Notes when due;
- (3) failure to perform, or breach, under any other covenant or warranty applicable to that series of Notes and not otherwise specifically dealt with in the definition of "event of default," continued for a period of 90 days after the giving of written notice to AbbVie by the Trustee or to AbbVie and the Trustee by holders of at least 25% in principal amount of outstanding Notes of that series (provided that, in the case of the 2023 Notes, the June 2024 Notes, the 2027 Notes, the 2.625% November 2028 Notes, the 2029 Notes and the 2031 Notes, such notice may not be given with respect to any action taken, and reported publicly or to holders of the 2023 Notes, the June 2024 Notes, the 2027 Notes, the 2.625% November 2028 Notes, the 2029 Notes or the 2031 Notes, as applicable, more than two years prior to such notice); or

(4) specified events of bankruptcy, insolvency or reorganization of AbbVie.

The Trustee is required to give holders of the particular series of Notes written notice of a default with respect to that series as and to the extent provided by the Trust Indenture Act. In the case of any default of the character described above in clause (3) of the immediately preceding paragraph, no such notice to holders must be given until at least 60 days after the occurrence of that default.

AbbVie is required annually to deliver to the Trustee a certificate stating whether or not the signers have any knowledge of any default by AbbVie in its performance and observance of any terms, provisions and conditions of the Indenture.

In case an event of default (other than an event of default involving an event of bankruptcy, insolvency or reorganization of AbbVie) shall occur and be continuing with respect to any series of Notes, the Trustee or the holders of not less than 25% in principal amount of the particular series of Notes then outstanding may declare the principal amount of such series of Notes to be immediately due and payable. If an event of default relating to any event of bankruptcy, insolvency or reorganization of AbbVie occurs, the principal of all the Notes then outstanding will become immediately due and payable without any action on the part of the Trustee or any holder. The holders of a majority in principal amount of the outstanding series of Notes affected by the default may in some cases rescind this accelerated payment requirement. Depending on the terms of AbbVie's other indebtedness, an event of default in respect of the Notes may give rise to cross defaults on its other indebtedness.

Any past default with respect to a series of Notes may be waived on behalf of all holders of that series of Notes by at least a majority in principal amount of the holders of the outstanding Notes of that series, except a default:

- in the payment of the principal of or any premium or interest on that series of Notes; or
- in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding Note of that series affected.

Any default that is so waived will cease to exist and any event of default arising from that default will be deemed to be cured and shall cease to exist for every purpose under the Indenture, but no such waiver will extend to any subsequent or other default or impair any right consequent thereon.

A holder of Notes of any series is able to pursue any remedy under the Indenture only if:

- such holder has previously given written notice to the Trustee of a continuing event of default with respect to that series of Notes;
- the holders of not less than 25% in principal amount of the outstanding Notes of that series shall have made written request to the Trustee to institute proceedings in respect of such event of default in its own name as Trustee under the Indenture;
- such holders or holders making the request have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
- the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- during that 60-day period, the holders of a majority in principal amount of that series of Notes do not give the Trustee a direction inconsistent with such request.

Holders of Notes, however, are entitled at any time to bring a lawsuit for the payment of principal and interest due on their Notes on or after its due date.

Any time period in the Indenture to cure any actual or alleged default or event of default with respect to the 2023 Notes, the June 2024 Notes, the 2027 Notes, the 2.625% November 2028 Notes, the 2029 Notes or the 2031 Notes may be extended or stayed by a court of competent jurisdiction.

Modification of the Indenture

AbbVie and the Trustee may modify the Indenture or any supplemental indenture without the consent of the holders of the Notes for one or more of the following purposes:

- to evidence the succession of another Person to AbbVie and the assumption by any such successor of the obligations of AbbVie in the Indenture or any supplemental indenture, and in the Notes;
- to add to the covenants of AbbVie for the benefit of the holders of all or any series of Notes or to surrender any right or power conferred upon AbbVie by the Indenture or any supplemental indenture;
- to add any additional events of default for the benefit of holders of all or any series of Notes;
- to add to or change any of the provisions of the Indenture or any supplemental indenture to such extent as shall be necessary to permit or facilitate the issuance of debt securities in certain other forms;
- to add to, change or eliminate any of the provisions of the Indenture or any supplemental indenture in respect of one or more series of Notes, provided that any such addition, change or elimination (i) shall neither (A) apply to any Note of any series created prior to the execution of such supplemental indenture affecting such modification and entitled to the benefit of such provision nor (B) modify the rights of the holder of any such Note with respect to such provision or (ii) shall become effective only when there is no such Note outstanding;
- to secure the Notes pursuant to the requirements of the Indenture or the requirements of any supplemental indenture or to otherwise provide any security for, or add any guarantees of or additional obligors on, the Notes of all or any series;
- to establish the form or terms of Notes of any series in accordance with the terms of the Indenture;
- to supplement any of the provisions of the Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of a particular series of Notes in accordance with the provisions in the Indenture;
- to evidence and provide for the acceptance of the appointment of a successor trustee with respect to the Notes of one or more series and to add to or change any of the provisions of the Indenture or any supplemental indenture as shall be necessary to provide for or facilitate the administration of the trusts under the Indenture or such supplemental indenture by more than one trustee pursuant to the requirements set forth in the Indenture; or
- to cure any ambiguity or to correct or supplement any provision of the Indenture or any supplemental indenture which may be defective or inconsistent with any other provision in the Indenture or any supplemental indenture, or to make any other provisions with respect to matters or questions arising under the Indenture or any supplemental indenture as shall not adversely affect the interests of the holders of any series of Notes in any material respect.

AbbVie and the Trustee may otherwise modify the Indenture or any supplemental indenture with the consent of the holders of not less than a majority in principal amount of each series of Notes affected for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of modifying in any manner the rights of the holders of Notes of such series under the Indenture or any supplemental indentures. However, without the consent of the holder of each outstanding Note affected by such modification, no modification may:

- change the stated maturity of the principal of, or any installment of principal of or interest thereon, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or change any place of payment where, or the coin or currency in which, such Notes or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date);
- reduce the percentage in principal amount of the Notes of any series, the consent of whose holders is required in the Indenture for consent for any waiver of compliance with certain provisions of the Indenture or certain defaults under the Indenture and their consequences; or
- modify the provisions set forth in the two bullets above or the paragraph immediately preceding the two bullets above or modify provisions relating to the waiver of past defaults or the waiver of certain covenants in the Indenture, in each case, other than to increase the percentage in principal amount of the Notes required to modify such provisions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each outstanding Note affected by such modification.

Defeasance and Covenant Defeasance

The Indenture provides that, at AbbVie's option, AbbVie:

- will be discharged from any and all obligations in respect of the Notes of a series, except for certain obligations set forth in the Indenture that survive such discharge ("legal defeasance"); or
- may omit to comply with certain restrictive covenants of the Indenture, including those described under "Certain Covenants of AbbVie" and "Consolidation, Merger and Sale of Assets," and the occurrence of an event described in clause (3) under "Events of Default" with respect to any such covenants will no longer be an event of default ("covenant defeasance");

in each case, if

- AbbVie irrevocably deposits or causes to be deposited with the Trustee, as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the holders of such Notes, in money in an amount, euro-denominated government instruments, which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or a combination thereof, sufficient, without reinvestment, in the opinion of a nationally recognized firm of independent public accountants to pay and discharge all the principal of and premium, if any, and interest on the Notes of that series on the dates such payments are due, which may include one or more redemption dates that AbbVie designates, in accordance with the terms of the Notes of that series;
- no event of default or event which with notice or lapse of time, or both, would become an event of default with respect to Notes of such series shall have occurred and be continuing on the date of such deposit or insofar as an event of default resulting from certain events involving AbbVie's bankruptcy or insolvency are concerned, at any time during the period ending on the 121st day

after such date of the deposit or, if longer, ending on the day following the expiration of the longest preference period applicable to AbbVie in respect of such deposit (it being understood that this condition will not be deemed satisfied until the expiration of such period);

- such defeasance will not cause the Trustee to have a conflicting interest with respect to any of AbbVie's securities or result in the trust arising from such deposit to constitute, unless it is qualified as, a regulated investment company under the Investment Company Act of 1940, as amended;
- the defeasance will not result in a breach or violation of, or constitute a default under, the Indenture or any other agreement or instrument to which AbbVie is a party or by which AbbVie is bound;
- AbbVie has delivered an opinion of counsel to the effect that the beneficial owners of Notes will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance and will be subject to federal income tax in the same manner as if the defeasance had not occurred, which opinion of counsel, in the case of legal defeasance, must refer to and be based upon a published ruling of the Internal Revenue Service, a private ruling of the Internal Revenue Service addressed to AbbVie, or otherwise a change in applicable federal income tax law occurring after the date of the Indenture; and
- AbbVie shall have delivered an officer's certificate and an opinion of counsel stating that the conditions to such defeasance set forth in the Indenture have been complied with.

If AbbVie fails to comply with its remaining obligations under the Indenture after a covenant defeasance with respect to the Notes of any series and the Notes of such series are declared due and payable because of the occurrence of any event of default, the amount of money and euro-denominated government instruments on deposit with the Trustee may be insufficient to pay amounts due on the Notes of that series at the time of the acceleration resulting from the event of default. AbbVie will, however, remain liable for those payments.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Notes, as expressly provided for in the Indenture) as to all outstanding Notes of any series when:

- (1) either (a) all the Notes of such series theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by AbbVie and thereafter repaid to it or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all of the Notes of such series not theretofore delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their stated maturity within one year or (iii) if redeemable at AbbVie's option, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of AbbVie, and AbbVie has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire indebtedness on the Notes of such series not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes of such series to the date of such deposit (in the case of Notes which have become due and payable), or to their stated maturity or the redemption date, as the case may be (provided that in connection with any discharge relating to any redemption that requires the payment of a premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the premium calculated as of the date of the notice of redemption, with any deficit as of the redemption date only required to be deposited with the

Trustee on or prior to the redemption date), together with irrevocable instructions from AbbVie directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

- (2) AbbVie has paid or caused to be paid all other sums payable under the Indenture in respect of such series of Notes; and
- (3) AbbVie has delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture with respect to such series of Notes have been complied with.

Governing Law

The Indenture and the Notes are governed by the laws of the State of New York.

The Trustee

U.S. Bank National Association is named as the "Trustee" under the Indenture. U.S. Bank National Association and its affiliates perform certain commercial banking services for some of AbbVie's affiliates for which they receive customary fees.

The Trustee is obligated to exercise any of its powers under the Indenture at the request or direction of any of the holders of any Notes pursuant to the Indenture only after those holders have offered the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by the Trustee in compliance with such request or direction.

In considering the interests of holders of the Notes while any relevant Global Notes are held on behalf of Euroclear and Clearstream, Luxembourg, the Trustee may have regard to any information provided to it by such clearing systems as to the identity (either individually or by category) of their accountholders and may consider such interests as if such accountholders were holders of the relevant Global Notes and interests therein.

Payment and Paying Agents

AbbVie makes payments on the Notes in euro at the office of the Trustee, the London Paying Agent or any paying agent AbbVie designates (which paying agent may include AbbVie). At its option, AbbVie may make payments of interest by (1) check mailed to the address of the Person entitled thereto as such address shall appear in the security register or (2) wire transfer as directed by the holder of any Note, in immediately available funds to an account maintained by the applicable depository or its nominee with respect to a Global Note, and to the holder of any Note or its nominee with respect to a Definitive Note; provided further that in the case of a Definitive Note (x) the holder thereof shall have provided written wiring instructions to the London Paying Agent on or before the related Record Date and (y) if appropriate instructions for any such wire transfer are not received by the related Record Date, then such payment shall be made by check mailed to the address of such holder specified in the security register. AbbVie will make interest payments to the holder in whose name the Note is registered at the close of business on the Record Date for the interest payment.

All payments of any amounts paid to or to the order of the nominee for a common depository for Euroclear and Clearstream, Luxembourg shall be valid and, to the extent of the sums so paid, effectual to satisfy and discharge the liability of AbbVie for the moneys payable on the Notes.

AbbVie has designated the London Paying Agent as its paying agent for payments on Notes. AbbVie may at any time designate additional paying agents or rescind the designation of any paying agent or approve a change in the office through which any paying agent acts.

The Trustee or London Paying Agent, as applicable, will repay to AbbVie on AbbVie's written request any funds they hold for payments on the Notes that remain unclaimed for two years after the date upon which that payment has become due. After repayment to AbbVie, holders entitled to those funds must look only to it for payment.

Exchange, Registration and Transfer

Notes of any series may be exchangeable for other Notes of the same series with the same total principal amount and the same terms but in different authorized denominations in accordance with the Indenture. Holders may present registered Notes for registration of transfer at the office of the security registrar. The security registrar will effect the transfer or exchange when it is satisfied with the documents of title and identity of the person making the request.

AbbVie has appointed the Trustee as security registrar for the 2023 Notes, the June 2024 Notes, the 2027 Notes, the 2.625% November 2028 Notes, the 2029 Notes and the 2031 Notes and the London Paying Agent as the security registrar for the May 2024 Notes and the 2.125% November 2028 Notes. AbbVie may at any time designate additional security registrars for any series of Notes or rescind the designation of any security registrar or approve a change in the location through which any security registrar acts. AbbVie is required to maintain an office or agency for transfers and exchanges in each place of payment. No service charge will be made for any registration of transfer or exchange of the Notes, but we or the security registrar may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than as set forth in the Indenture).

Neither AbbVie nor the security registrar is or will be required to register the transfer of or exchange of any Note:

- during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Notes of that series selected for redemption and ending at the close of business on the day of such mailing; or
- so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

ABBVIE PERFORMANCE INCENTIVE PLAN

(Amended and Restated Effective as of January 1, 2022)

**ABBVIE
PERFORMANCE INCENTIVE PLAN**

**SECTION 1
INTRODUCTION**

1.1 ESTABLISHMENT OF THE PLAN. AbbVie Inc. (“AbbVie”) established the AbbVie 2013 Performance Incentive Plan (the “Plan”) effective as of January 1, 2013 (the “Effective Date”). The Plan is hereby amended and restated effective as of January 1, 2022.

1.2 PURPOSES OF THE PLAN. The purposes of the Plan are to:

- a. Provide flexibility to AbbVie in its ability to attract, motivate, and retain the services of participants in the Plan (“Participants”) who make significant contributions to AbbVie’s success and to allow Participants to share in the success of AbbVie;
- b. Optimize the profitability and growth of AbbVie through incentives which are consistent with AbbVie’s goals and which link the performance objectives of Participants to those of AbbVie’s stockholders; and
- c. Provide Participants with an incentive for excellence in individual performance.

**SECTION 2
ADMINISTRATION**

2.1 GENERAL. The Plan shall be administered by the Compensation Committee (the “Committee”) appointed by the Board of Directors of AbbVie (the “Board”).

2.2 AUTHORITY OF THE COMMITTEE. The Committee will have full authority to administer the Plan, including the authority to interpret and construe any provision of the Plan, and all rules, regulations and interpretations shall be conclusive and binding on all persons. The Committee has sole responsibility for selecting Participants, establishing performance objectives, setting award targets, and determining award amounts.

2.3 DELEGATION BY THE COMMITTEE. The Committee from time to time may delegate the performance of certain ministerial functions in connection with the Plan, such as the keeping of records, to such person or persons as the Committee may select. The cost of administration of the Plan will be paid by AbbVie.

2.4 PERFORMANCE INCENTIVE PLAN RULES. The Plan shall be administered in accordance with the Performance Incentive Plan (“PIP”) Rules, which are attached hereto as Supplement A.

**SECTION 3
ELIGIBILITY AND PARTICIPATION**

3.1 ELIGIBILITY AND PARTICIPATION. Eligibility for participation in the Plan shall be limited to senior officers of AbbVie and its subsidiaries. Participants in the Plan will be determined annually by the Committee from those senior officers eligible to participate in the Plan.

**SECTION 4
PERFORMANCE OBJECTIVES**

4.1 PERFORMANCE OBJECTIVES. The Plan’s performance objectives (the “Performance Objectives”) shall be determined with reference to AbbVie’s consolidated net earnings prepared in accordance with generally accepted accounting principles.

4.2 **INDIVIDUAL BASE AWARD ALLOCATION – DEFINED.** The base award allocation for the Chief Executive Officer, if a Participant for such fiscal year, shall be .0015 of the consolidated net earnings of AbbVie for that fiscal year. The base award allocation for the Chief Operating Officer, if a Participant for such fiscal year, shall be .0010 of the consolidated net earnings of AbbVie for that fiscal year. The base award allocation for any other Participant shall be .00075 of the consolidated net earnings of AbbVie for that fiscal year. Each such base award will be increased by interest, at prevailing market rates, accrued on awards deferred or paid to grantor trusts.

SECTION 5 FINAL AWARDS

5.1 **FINAL AWARD ALLOCATION.** As soon as practical after the close of each fiscal year, a Participant's final award allocation will be determined solely on the basis of the Performance Objectives. In determining a Participant's final award allocation, the Committee will have the discretion to reduce but not increase a Participant's base award allocation (as increased by the last sentence of Section 4.2), provided that a Participant's individual performance will be considered by the Committee in exercising that discretion.

5.2 **PAYMENT OF AWARDS.** A Participant's final award allocation will be paid or deferred in accordance with rules adopted by the Committee which are intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended.

SECTION 6 DURATION, AMENDMENT, AND TERMINATION

6.1 **DURATION OF THE PLAN.** The Plan shall commence on the Effective Date, as described in Section 1.1 hereof, and shall remain in effect until terminated by the Board.

6.2 **AMENDMENT AND TERMINATION.** The Board, in its sole discretion, may modify or amend any or all of the provisions of the Plan at any time and, without notice, may suspend or terminate it entirely. However, no such modification may, without the consent of the Participant, reduce the right of a Participant to a payment or distribution to which the Participant is entitled by reason of an outstanding award allocation.

SECTION 7 SUCCESSORS

7.1 **OBLIGATIONS.** All obligations of AbbVie under the Plan with respect to awards granted hereunder shall be binding on any successor to AbbVie, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of AbbVie.

SUPPLEMENT A

PERFORMANCE INCENTIVE PLAN (PIP) RULES

The following rules (the “Rules”) shall govern the administration of the AbbVie Performance Incentive Plan (“PIP”) and any comparable successor plan. Capitalized terms used but not otherwise defined in these Rules shall have the meaning provided in the PIP. These Rules are amended and restated effective as of January 1, 2015 and shall remain in effect until amended by the Committee:

1. Fiscal Year. The term “fiscal year,” as used in the PIP, means the fiscal period from time to time employed by AbbVie for the purpose of reporting earnings to stockholders.
2. Consolidated Net Earnings. “Consolidated Net Earnings” shall be the consolidated net earnings for such fiscal year as stated in AbbVie’s Audited Financial Statements, shall reflect the incremental cost of FAS 123(R) in the current year and may, at the Compensation Committee’s discretion, be adjusted to exclude acquired in-process research and development costs, and other specified items, net of income taxes.
3. Naming of Participants. For any fiscal year, all participants in the PIP must be named by the Committee prior to the completion of the immediately preceding fiscal year. A PIP participant may not be an active participant in the AbbVie 2013 Management Incentive Plan (the “MIP”) in the same fiscal year.
4. Inclusion in Pensionable Earnings. The full amount of any PIP award earned under Rule 5 will be included in the participant’s pensionable earnings.
5. Time of Payment. A participant must direct payment or deferral of an allocation made to the participant under the PIP by one or more of the following methods; provided, however, that the grantor trust method described in paragraph (b) below may be elected only (i) by a participant who became a PIP participant before January 1, 2015 or (ii) by a PIP participant who was a participant in the AbbVie Pension Plan as of January 1, 2013 and was designated as an executive officer of AbbVie on or before January 1, 2018:
 - a. In cash to the participant, which payment shall be made no later than the last day of the “applicable 2½ month period,” as such term is defined in Treasury Regulation §1.409A-1(b)(4)(i)(A);
 - b. A portion in cash and deposited to a grantor trust (the “Grantor Trust”) established by the participant (in a form which the Committee determines is substantially similar to the trust in Exhibit A) and the balance withheld on behalf of the participant to satisfy the participant’s aggregate federal, state and local individual income and employment taxes; provided that all payments or contributions to the Grantor Trust and participant contemplated by this Rule 5(b) shall be made no later than the last day of the “applicable 2½ month period,” as such term is defined in Treasury Regulation §1.409A-1(b)(4)(i)(A); or
 - c. Deferral of payment until the time and in the manner determined under Rule 17.
 - d. Amounts paid under the PIP will not be considered amounts paid under the MIP for purposes of subsections 3.3 and 3.4 and Section 4 of the MIP. The base salaries of PIP participants will not be considered for determination of the MIP amount in subsection 3.3 of the MIP.
6. Time of Election.
 - a. A participant must make the election described in Rule 5 by filing it with the Committee before expiration of the election period established by the Committee, which period shall end no later than December 31 of the fiscal year prior to the year during which the performance incentive compensation is earned under the PIP.

- b. Notwithstanding the timing requirements of Rule 6(a), an individual who newly becomes eligible to participate in the PIP by being designated as a participant under subsection 3.1 of the PIP (and who was not eligible to participate in any other plan that would be aggregated with the Plan under Treasury Regulation §1.409A-1(c)) may make the an initial deferral election described in Rule 5 by filing it with the Committee or its delegate within the thirty (30) day period immediately following the date he or she first is designated as participant, provided that the compensation deferred pursuant to such election relates solely to services performed after the date of such election. For this purpose, an election shall be deemed to apply to compensation paid for services performed after the election if the election applies to no more than the amount prescribed by Treasury Regulation §1.409A-2(a)(7)(i).
- c. Any election described in Rule 5 shall be irrevocable for the fiscal year to which the election applies.

7. Accounts. The Committee shall establish accounts for participants who have made elections pursuant to Rule 5(b) or 5(c) as follows.

- a. The Committee will maintain a “Deferred Account” in the name of each participant who has elected to defer payment of all or a portion of his or her PIP award under Rule 5(c). The Deferred Account shall consist of allocations deferred according to Rule 5(c) and any adjustments made in accordance with Rule 8. For each Transferred Employee (as such term is defined in the Employee Matters Agreement by and between Abbott Laboratories and AbbVie, dated as of December 31, 2012) who participated in the 1998 Abbott Laboratories Performance Incentive Plan and the rules thereunder (the “Abbott PIP”) prior to the Effective Date, the Deferred Account shall be credited with a starting balance equal to the amount, if any, in such Transferred Employee’s Deferred Account (as such term is used in the Abbott PIP) immediately prior to the Effective Date.
- b. The Committee will maintain two separate Accounts, a “Pre-Tax Account” and an “After-Tax Account,” in the name of each participant who has declined to defer allocations by electing to have a portion of his or her PIP award deposited in cash to a Grantor Trust according to Rule 5(b). The Pre-Tax Account shall consist of the aggregate of all allocations contemplated by Rule 5(b), whether deposited to the participant’s Grantor Trust or withheld on behalf of the participant to satisfy the participant’s aggregate federal, state and local individual income and employment taxes, and any adjustments made in accordance with Rule 9. The After-Tax Account shall consist of after-tax allocations deposited to the participant’s Grantor Trust in cash according to Rule 5(b) and any adjustments made in accordance with Rule 10.

8. Adjustment of Deferred Accounts. At the end of each fiscal year, a participant’s Deferred Account will be adjusted as follows:

- a. First, reduced by an amount equal to any distribution made to the participant during the year according to Rule 17 or Rule 18;
- b. Next, increased by an amount equal to any allocation for that year that is deferred according to Rule 5(c); and
- c. Last, increased by an amount equal to the interest earned for that year according to Rule 11.

9. Adjustment of Pre-Tax Accounts. At the end of each fiscal year, a participant’s Pre-Tax Account will be adjusted as follows:

- a. First, reduced, in any year in which the participant is entitled to receive a distribution from his or her Grantor Trust, by an amount equal to the distribution that would have been made to the participant if the aggregate amounts allocated according to Rule 5(b) had instead been deferred under Rule 5(c);

- b. Next, increased by an amount equal to any allocation for that year that is paid to the participant and withheld on behalf of the participant to satisfy the participant's aggregate federal, state and local individual income and employment taxes (including the amount paid to the participant's Grantor Trust) according to Rule 5(b); and
- c. Last, increased by an amount equal to the interest earned for that year according to Rule 11.

10. Adjustment of After-Tax Accounts. At the end of each fiscal year, a participant's After-Tax Account will be adjusted as follows:

- a. First, reduced, in any year in which the participant is in receipt of a distribution from his or her Grantor Trust, by an amount calculated as provided in Rule 28 which represents the distribution for such year;
- b. Next, increased by an amount equal to the allocation for that year that is deposited in the participant's Grantor Trust according to Rule 5(b); and
- c. Last, increased by an amount equal to the interest earned for that year according to Rule 11.

11. Interest Accruals on Accounts. This Rule 11 shall apply only to a participant who (i) joined the PIP before January 1, 2015 or (ii) was a participant in the AbbVie Pension Plan as of January 1, 2013 and was designated as an executive officer of AbbVie on or before January 1, 2018.

- a. As of the end of each fiscal year, a participant's Deferred Account or Pre-Tax Account, as applicable, shall be credited with interest ("Interest") at the following rate:
 - i. the average of the "prime rate" of interest set forth on the Bloomberg Screen BTMM or comparable successor quotation service on the first business day of January and the last business day of each month of the fiscal year; plus
 - ii. two hundred twenty-five (225) basis points.
- b. As of the end of each fiscal year, a participant's After-Tax Account shall be credited with the amount of Interest set forth above, multiplied by (one minus the aggregate of the applicable federal, state and local individual income tax rates and employment tax rate, determined in accordance with Rules 25 and 26) (the "After-Tax Interest").
- c. The Interest and After-Tax Interest, as applicable, shall be credited on the conditions established by the Committee, provided that any award allocation shall be considered to have been made and credited to a participant's Account as of the first day of the fiscal year in which the award is made.

12. Interest Payments. In addition to any allocation made to a participant for any fiscal year in accordance with Rule 5(b), AbbVie shall also make a payment (an "Interest Payment") with respect to each participant who has established a Grantor Trust for each year in which the Grantor Trust is in effect. The Interest Payment shall equal the excess, if any, of the participant's adjustment in Rule 9(c), over the net earnings of the participant's Grantor Trust for the year, as adjusted by the amounts described in Schedule A, if any, and shall be paid within the thirty (30)-day period beginning April 1 of the following fiscal year. A portion of such Interest Payment, equal to the excess, if any, of the Net Interest Accrual over the net earnings of the participant's Grantor Trust, shall be deposited in the participant's Grantor Trust, with the balance paid to, or withheld on behalf of, the Participant; provided, however, in the event that the net earnings of the participant's Grantor Trust exceed the Net Interest Accrual, a distribution from the Grantor Trust shall be required in accordance with Rule 31. A participant's Net Interest Accrual for a year is an amount equal to the After-Tax Interest credited to the participant's After-Tax Account for that year in accordance with Rule 11(b).

13. Grantor Trust Assets. Each participant's Grantor Trust assets shall be invested solely in the instruments specified by investment guidelines established by the Committee. Such investment guidelines, once established, may be changed by the Committee, provided that any change shall not take effect until the year following the year in which the change is made and provided further that the instruments specified shall be consistent with the provisions of Section 3(b) of the form of Grantor Trust attached hereto as Exhibit A.

14. Designation of Beneficiaries. Subject to the conditions and limitations set forth below, each participant and, after a participant's death, each primary beneficiary designated by a participant in accordance with the provisions of this Rule 14, shall have the right from time to time to designate a primary beneficiary or beneficiaries and a successive or contingent beneficiary or beneficiaries to receive unpaid amounts from the participant's Deferred Account under the PIP. Beneficiaries may be a natural person or persons or a fiduciary, such as a trustee of a trust or the legal representative of an estate. Any such designation shall take effect upon the death of the participant or such beneficiary, as the case may be, or, in the case of any fiduciary beneficiary, upon the termination of all of its duties (other than the duty to dispose of the right to receive amounts remaining to be paid under the PIP). The conditions and limitations relating to the designation of beneficiaries are as follows:

- a. A nonfiduciary beneficiary shall have the right to designate a further beneficiary or beneficiaries only if the original participant or the next preceding primary beneficiary, as the case may be, shall have expressly so provided in writing; and
- b. A fiduciary beneficiary shall designate as a further beneficiary or beneficiaries only those persons or other fiduciaries that are entitled to receive the amounts payable from the participant's account under the trust or estate of which it is a fiduciary.

Any beneficiary designation or grant of any power to any beneficiary under this Rule 14 may be exercised only by an instrument in writing, executed by the person making the designation or granting such power and filed with the Secretary of AbbVie during the person's lifetime or prior to the termination of a fiduciary's duties. If a deceased participant or a deceased nonfiduciary beneficiary who had the right to designate a beneficiary as provided above dies without having designated a further beneficiary, or if no beneficiary designated as provided above is living or qualified and acting, the Committee, in its discretion, may direct distribution of the amount remaining from time to time to either: (i) any one or more or all of the next of kin (including the surviving spouse) of the participant or the deceased beneficiary, as the case may be, and in such proportions as the Committee determines; or (ii) the legal representative of the estate of the deceased participant or deceased beneficiary as the case may be.

15. Non-assignability and Facility of Payment. Amounts payable to participants and their beneficiaries under the PIP are not in any way subject to their debts and other obligations, and may not be voluntarily or involuntarily sold, transferred or assigned; provided that the provisions of these Rules shall not be construed as restricting in any way a designation right granted to a beneficiary under Rule 14. When a participant or the beneficiary of a participant is under legal disability, or in the Committee's opinion is in any way incapacitated so as to be unable to manage his or her financial affairs, the Committee may direct that payments shall be made to the participant's or beneficiary's legal representative, or to a relative or friend of the participant or beneficiary for the benefit of the participant or beneficiary, or the Committee may direct the payment or distribution for the benefit of the participant or beneficiary in any manner that the Committee determines.

16. Payer of Amounts Allocated to Participants. Any amount allocated to a participant in the PIP and any interest credited thereto will be paid by the employer (or such employer's successor) by whom the participant was employed during the fiscal year for which any amount was allocated, and for that purpose, if a participant shall have been employed by two or more employers during any fiscal year the amount allocated under the PIP for that year shall be an obligation of each of the respective employers in proportion to the respective amounts of base salary paid by each of them in that fiscal year.

17. Manner of Payment of Deferred Accounts. Subject to Rule 18, a participant shall elect to receive payment of his Deferred Account in substantially equal annual installments over a minimum period of ten years, or a longer period, at the time of his deferral election under Rule 5. Payment of a participant's Deferred Account shall commence on the first business day of January of the year following the year in which the participant incurs a termination of employment.

18. Payment Upon Termination Following Change in Control. Notwithstanding any other provision of the PIP or the provisions of any award made under the PIP, if a participant incurs a termination of employment with AbbVie and its subsidiaries for any reason within two (2) years following the date of a Change in Control, provided that the event constituting a Change in Control is also a "change in control event", as such term is defined in Treasury Regulation §1.409A-3(i)(5): (a) with respect to a participant whose allocations under the PIP are deferred in accordance with Rule 5(c), the aggregate unpaid balance of the participant's Deferred Account shall be paid to such

participant in a lump sum within thirty (30) days following the date of such termination of employment, and (b) with respect to a participant whose allocations under the PIP are made pursuant to Rule 5(b), (i) the aggregate of the participant's unpaid allocation under Rule 5(b) (if any) for the fiscal year in which the termination occurs and (ii) a pro rata portion of the unpaid Guaranteed Rate Payment under Rule 12 attributable to the portion of the year elapsed prior to the date of termination, shall be paid to such participant's Grantor Trust in a lump sum within thirty (30) days following the date of such termination of employment.

19. Change in Control. A "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

- a. the date any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of AbbVie (not including in the securities beneficially owned by such Person any securities acquired directly from AbbVie or its Affiliates) representing 20% or more of the combined voting power of AbbVie's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (c) below; or
- b. the date the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of AbbVie) whose appointment or election by the Board or nomination for election by AbbVie's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the Effective Date or whose appointment, election or nomination for election was previously so approved or recommended; or
- c. the date on which there is consummated a merger or consolidation of AbbVie or any direct or indirect subsidiary of AbbVie with any other corporation or other entity, other than (i) a merger or consolidation (A) immediately following which the individuals who comprise the Board immediately prior thereto constitute at least a majority of the Board of Directors of AbbVie, the entity surviving such merger or consolidation or, if AbbVie or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof and (B) which results in the voting securities of AbbVie outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of AbbVie or any subsidiary of AbbVie, at least 50% of the combined voting power of the securities of AbbVie or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of AbbVie (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of AbbVie (not including in the securities Beneficially Owned by such Person any securities acquired directly from AbbVie or its Affiliates) representing 20% or more of the combined voting power of AbbVie's then outstanding securities; or
- d. the date the stockholders of AbbVie approve a plan of complete liquidation or dissolution of AbbVie or there is consummated an agreement for the sale or disposition by AbbVie of all or substantially all of AbbVie's assets, other than a sale or disposition by AbbVie of all or substantially all of AbbVie's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of AbbVie, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of AbbVie or any subsidiary of AbbVie, in substantially the same proportions as their ownership of AbbVie immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of AbbVie immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of AbbVie immediately following such transaction or series of transactions.

For purposes of these Rules: "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act; "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act; "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time; and "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) AbbVie or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of AbbVie or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of AbbVie in substantially the same proportions as their ownership of stock of AbbVie.

20. Potential Change in Control. A "Potential Change in Control" shall exist during any period in which the circumstances described in paragraph (a), (b), (c) or (d), below, exist (provided, however, that a Potential Change in Control shall cease to exist not later than the occurrence of a Change in Control):

- a. AbbVie enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, provided that a Potential Change in Control described in this paragraph (a) shall cease to exist upon the expiration or other termination of all such agreements.
- b. Any Person (without regard to the exclusions set forth in subsections (i) through (iv) of such definition) publicly announces an intention to take or to consider taking actions the consummation of which would constitute a Change in Control; provided that a Potential Change in Control described in this paragraph (b) shall cease to exist upon the withdrawal of such intention, or upon a determination by the Board that there is no reasonable chance that such actions would be consummated.
- c. Any Person becomes the Beneficial Owner, directly or indirectly, of securities of AbbVie representing 10% or more of either the then outstanding share of common stock of AbbVie or the combined voting power of AbbVie's then outstanding securities (not including any securities beneficially owned by such Person which are or were acquired directly from AbbVie or its Affiliates).
- d. The Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control exists; provided that a Potential Change in Control described in this paragraph (d) shall cease to exist upon a determination by the Board that the reasons that gave rise to the resolution providing for the existence of a Potential Change in Control have expired or no longer exist.

21. Prohibition Against Amendment. The provisions of Rules 18, 19, 20 and this Rule 21 may not be amended or deleted, or superseded by any other Rule, (i) during the pendency of a Potential Change in Control and (ii) during the period beginning on the date of a Change in Control and ending on the date five (5) years following such Change in Control.

22. Reliance Upon Advice. The Board and the Committee may rely upon any information or advice furnished to it by any officer of AbbVie or by AbbVie's independent auditors, or other consultants, and shall be fully protected in relying upon such information or advice. No member of the Board or the Committee shall be liable for any act or failure to act on their part, excepting only any acts done or omitted to be done in bad faith, nor shall they be liable for any act or failure to act of any other member.

23. Taxes. Any employer shall be entitled, if necessary or desirable, to pay or withhold the amount of any federal, state or local tax attributable to any amounts payable by it under the PIP, and may require payment from the participant in an amount necessary to satisfy such taxes prior to remitting such taxes.

24. Rights of Participants. Employment rights of participants with AbbVie and its subsidiaries shall not be enlarged or affected by reason of establishment of or inclusion as a participant in the PIP. Nothing contained in the PIP shall require AbbVie or any subsidiary to segregate or earmark any assets, funds or property for the purpose of payment of any amounts which may have been deferred. The Deferred, Pre-Tax and After-Tax Accounts established in accordance with Rule 7 are for the convenience of the administration of the PIP and no trust relationship with respect to such Accounts is intended or should be implied. Participant's rights shall be limited to

payment to them at the time or times and in such amounts as are contemplated by the PIP and these Rules. Any decision made by the Board or the Committee, which is within the sole and uncontrolled discretion of either, shall be conclusive and binding upon the other and upon all other persons whomsoever.

25. Employment Tax Assumptions. For purposes of these Rules, a participant's employment tax rate shall be deemed to be the highest marginal rate of Federal Insurance Contribution Act taxes in effect in the calendar year in which a calculation under the applicable Rule is to be made.

26. Income Tax Assumptions. For purposes of these Rules, a participant's federal income tax rate shall be deemed to be the highest marginal rate of federal income individual tax in effect in the calendar year in which a calculation under the Rules is to be made, and state and local tax rates shall be deemed to be the highest marginal rates of individual income tax in effect in the state and locality of the participant's residence on the date such a calculation is made, net of any federal tax benefits without a benefit for any net capital losses.

27. Change of Conditions Relating to Payments. No change to the time of payment or the time of commencement of payment and any period over which payment shall be made shall be effected except in strict compliance with the subsequent election requirements of Treasury Regulation §1.409A-2(b) to the extent subject thereto.

28. Administrator's Calculation of Grantor Trust Distributions. The administrator shall calculate the amount to be distributed from a participant's Grantor Trust in any year in which the participant is entitled to a benefit distribution by multiplying (i) the amount of the reduction determined in accordance with Rule 9(a), by (ii) a fraction, the numerator of which is the balance in the participant's After-Tax Account as of the end of the prior fiscal year and the denominator of which is the balance of the participant's Pre-Tax Account as of that same date.

29. Code Section 409A. To the extent applicable, it is intended that these Rules comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended ("Code Section 409A"). The Rules will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Rules to fail to satisfy Code Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Code Section 409A). Notwithstanding anything contained herein to the contrary, for all purposes of these Rules, a participant shall not be deemed to have had a termination of employment until the participant has incurred a separation from service as defined in Treasury Regulation §1.409A-1(h) and, to the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, payment of the amounts payable under the Rules that would otherwise be payable during the six-month period after the date of termination shall instead be paid on the first business day after the expiration of such six-month period, plus interest thereon, at a rate equal to the rate specified in Rule 11 (to the extent that such interest is not already provided to the participant under Rule 12), from the respective dates on which such amounts would otherwise have been paid until the actual date of payment. In addition, for purposes of these Rules, each amount to be paid and each installment payment shall be construed as a separate identified payment for purposes of Code Section 409A.

30. Domestic Relations Order. In accordance with Treasury Regulation §1.409A-3(j)(4)(ii), distributions shall be made to an individual (other than to the participant) pursuant to the terms of a "domestic relations order" (as defined in Section 414(p)(1)(B) of the Internal Revenue Code of 1986, as amended), as determined and administered by the AbbVie Senior Vice President, Human Resources (or the individual holding equivalent duties and responsibilities) or his or her delegate, provided that such order (a) does not require the plan to provide any type or form of benefit, or any option not otherwise provided under the plan, (b) does not require the plan to provide increased benefits, and (c) does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order.

31. Grantor Trusts. AbbVie, as the administrator of the participant's Grantor Trust, may direct the trustee to distribute to the participant from the income of such Grantor Trust a sum of money sufficient to pay the taxes on the Grantor Trust earnings for such year, to the extent a sufficient sum of money has not been paid to, or withheld on behalf of, the participant pursuant to Rule 12. The taxes shall be determined in accordance with Rules 25 and 26.

SCHEDULE A

[ATTACHED]

**EXHIBIT A
IRREVOCABLE GRANTOR TRUST AGREEMENT**

THIS AGREEMENT, made this ____ day of _____, 20__, by and between _____ of _____, Illinois (the “grantor”), and The Northern Trust Company located at Chicago, Illinois, as trustee (the “trustee”),

WITNESSETH THAT:

WHEREAS, the grantor desires to establish and maintain a trust to hold certain benefits received by the grantor under the AbbVie 2013 Performance Incentive Plan, as it may be amended from time to time;

NOW, THEREFORE, IT IS AGREED as follows:

**ARTICLE I
INTRODUCTION**

1. **NAME.** This agreement and the trust hereby evidenced (the “trust”) may be referred to as the “_____ 20__ Grantor Trust”.
2. **THE TRUST FUND.** The “trust fund” as at any date means all property then held by the trustee under this agreement.
3. **STATUS OF THE TRUST.** The trust shall be irrevocable. The trust is intended to constitute a grantor trust under Sections 671-678 of the Internal Revenue Code, as amended, and shall be construed accordingly.
4. **THE ADMINISTRATOR.** AbbVie Inc. (“AbbVie”) shall act as the “administrator” of the trust, and as such shall have certain powers, rights and duties under this agreement as described below. AbbVie will certify to the trustee from time to time the person or persons authorized to act on behalf of AbbVie as the administrator. The trustee may rely on the latest certificate received without further inquiry or verification.
5. **ACCEPTANCE.** The trustee accepts the duties and obligations of the “trustee” hereunder, agrees to accept funds delivered to it by the grantor or the administrator, and agrees to hold such funds (and any proceeds from the investment of such funds) in trust in accordance with this agreement.

**ARTICLE II
DISTRIBUTION OF THE TRUST FUND**

1. **SEPARATE ACCOUNTS.** The administrator shall maintain two separate accounts under the trust, a “rollout account” and a “deferred account.” Funds delivered to the trustee shall be allocated between the accounts by the trustee as directed by the administrator. As of the end of each calendar year, the administrator shall charge each account with all distributions made from such account during that year; and credit each account with its share of income and realized gains and charge each account with its share of expenses and realized losses for the year. The trustee shall not be required to make any separate investment of the trust fund for the accounts, and may administer and invest all funds delivered to it under the trust as one trust fund.
2. **DISTRIBUTIONS FROM THE ROLLOUT ACCOUNT PRIOR TO THE GRANTOR’S DEATH.** The trustee shall distribute principal and accumulated income credited to the rollout account to the grantor, if then living, at such times and in such amounts as the administrator shall direct.
3. **DISTRIBUTIONS FROM THE DEFERRED ACCOUNT PRIOR TO THE GRANTOR’S DEATH.** Principal and accumulated income credited to the deferred account shall not be distributed from the trust prior to the grantor’s retirement or other termination of employment with AbbVie or a subsidiary of AbbVie (the grantor’s “settlement date”); provided that, each year the administrator may direct the trustee to distribute to the grantor a portion of the income of the deferred account for that year, with the balance of such income to be accumulated in that account. The administrator shall inform the trustee of the grantor’s

settlement date. Thereafter, the trustee shall distribute the amounts from time to time credited to the deferred account to the grantor, if then living, in a series of annual installments, with the amount of each installment computed by one of the following methods:

- a. The amount of each installment shall be equal to the sum of: (i) the amount credited to the deferred account as of the end of the year in which the grantor's settlement date occurs, divided by the number of years over which installments are to be distributed; plus (ii) the net earnings credited to the deferred account for the preceding year (excluding the year in which the grantor's settlement date occurs).
- b. The amount of each installment shall be determined by dividing the amount credited to the deferred account as of the end of the preceding year by the difference between (i) the total number of years over which installments are to be distributed, and (ii) the number of annual installment distributions previously made from the deferred account.
- c. Each installment (after the first installment) shall be approximately equal, with the amount comprised of the sum of: (i) the amount of the first installment, plus interest thereon at the rate determined under the AbbVie 2013 Performance Incentive Plan, compounded annually; and (ii) the net earnings credited to the deferred account for the preceding year.

Notwithstanding the foregoing, the final installment distribution made to the grantor under this paragraph II-3 shall equal the total principal and accumulated income then held in the trust fund. The grantor, by writing filed with the trustee and the administrator on or before the end of the calendar year in which the grantor's settlement date occurs (or the end of the calendar year in which this trust is established, if the grantor's settlement date has already occurred), may select both the period (which may not be less than ten years from the end of the calendar year in which the grantor's settlement date occurred) over which the installment distributions are to be made and the method of computing the amount of each installment. In the absence of such a written direction by the grantor, installment distributions shall be made over a period of ten years, and the amount of each installment shall be computed by using the method described in subparagraph (a) next above. Installment distributions under this Paragraph II-3 shall be made as of January 1 of each year, beginning with the calendar year following the year in which the grantor's settlement date occurs. The administrator shall inform the trustee of the amount of each installment distribution under this paragraph II-3, and the trustee shall be fully protected in relying on such information received from the administrator.

4. **DISTRIBUTIONS FROM THE TRUST FUND AFTER THE GRANTOR'S DEATH.** The grantor, from time to time may name any person or persons (who may be named contingently or successively and who may be natural persons or fiduciaries) to whom the principal of the trust fund and all accrued or undistributed income therefrom shall be distributed in a lump sum or, if the beneficiary is the grantor's spouse (or a trust for which the grantor's spouse is the sole income beneficiary), in installments, as directed by the grantor, upon the grantor's death. If the grantor directs an installment method of distribution to the spouse as beneficiary, any amounts remaining at the death of the spouse beneficiary shall be distributed in a lump sum to the executor or administrator of the spouse beneficiary's estate. If the grantor directs an installment method of distribution to a trust for which the grantor's spouse is the sole income beneficiary, any amounts remaining at the death of the spouse shall be distributed in a lump sum to such trust. Despite the foregoing, if (i) the beneficiary is a trust for which the grantor's spouse is the sole income beneficiary, (ii) payments are being made pursuant to this paragraph II-4 other than in a lump sum and (iii) income earned by the trust fund for the year exceeds the amount of the annual installment payment, then such trust may elect to withdraw such excess income by written notice to the trustee. Each designation shall revoke all prior designations, shall be in writing and shall be effective only when filed by the grantor with the administrator during the grantor's lifetime. If the grantor fails to direct a method of distribution, the distribution shall be made in a lump sum. If the grantor fails to designate a beneficiary as provided above, then on the grantor's death, the trustee shall distribute the balance of the trust fund in a lump sum to the executor or administrator of the grantor's estate.
5. **FACILITY OF PAYMENT.** When a person entitled to a distribution hereunder is under legal disability, or, in the trustee's opinion, is in any way incapacitated so as to be unable to manage his or her financial affairs, the trustee may make such distribution to such person's legal representative, or to a relative or friend of

such person for such person's benefit. Any distribution made in accordance with the preceding sentence shall be a full and complete discharge of any liability for such distribution hereunder.

6. PERPETUITIES. Notwithstanding any other provisions of this agreement, on the day next preceding the end of 21 years after the death of the last to die of the grantor and the grantor's descendants living on the date of this instrument, the trustee shall immediately distribute any remaining balance in the trust to the beneficiaries then entitled to distributions hereunder.

ARTICLE III MANAGEMENT OF THE TRUST FUND

1. GENERAL POWERS. The trustee shall, with respect to the trust fund, have the following powers, rights and duties in addition to those provided elsewhere in this agreement or by law:
- a. Subject to the limitations of subparagraph (b) next below, to sell, contract to sell, purchase, grant or exercise options to purchase, and otherwise deal with all assets of the trust fund, in such way, for such considerations, and on such terms and conditions as the trustee decides.
 - b. To retain in cash such amounts as the trustee considers advisable; and to invest and reinvest the balance of the trust fund, without distinction between principal and income, in obligations of the United States Government and its agencies or which are backed by the full faith and credit of the United States Government or in any mutual fund, common trust fund or collective investment fund which invests solely in such obligations; and any such investment made or retained by the trustee in good faith shall be proper despite any resulting risk or lack of diversification or marketability.
 - c. To deposit cash in any depository (including the banking department of the bank acting as trustee) without liability for interest, and to invest cash in savings accounts or time certificates of deposit bearing a reasonable rate of interest in any such depository.
 - d. To invest, subject to the limitations of subparagraph (b) above, in any common or commingled trust fund or funds maintained or administered by the trustee solely for the investment of trust funds.
 - e. To borrow from anyone, with the administrator's approval, such sum or sums from time to time as the trustee considers desirable to carry out this trust, and to mortgage or pledge all or part of the trust fund as security.
 - f. To retain any funds or property subject to any dispute without liability for interest and to decline to make payment or delivery thereof until final adjudication by a court of competent jurisdiction or until an appropriate release is obtained.
 - g. To begin, maintain or defend any litigation necessary in connection with the administration of this trust, except that the trustee shall not be obliged or required to do so unless indemnified to the trustee's satisfaction.
 - h. To compromise, contest, settle or abandon claims or demands.
 - i. To give proxies to vote shares of stock and other voting securities, to join in or oppose (alone or jointly with others) voting trusts, mergers, consolidations, foreclosures, reorganizations, liquidations, or other changes in the financial structure of any corporation, and to exercise or sell stock subscription or conversion rights.
 - j. To hold securities or other property in the name of a nominee, in a depository or in any other way, with or without disclosing the trust relationship.
 - k. To divide or distribute the trust fund in undivided interests or wholly or partly in kind.

- l. To pay any tax imposed on or with respect to the trust; to defer making payment of any such tax if it is indemnified to its satisfaction in the premises; and to require before making any payment such release or other document from any lawful taxing authority and such indemnity from the intended payee as the trustee consider necessary for its protection.
 - m. To deal without restriction with the legal representative of the grantor's estate or the trustee or other legal representative of any trust created by the grantor or a trust or estate in which a beneficiary has an interest, even though the trustee, individually, shall be acting in such other capacity without liability for any loss that may result.
 - n. To appoint or remove by written instrument any bank or corporation qualified to act as successor trustee, wherever located, as special trustee as to part or all of the trust fund, including property as to which the trustee does not act, and such special trustee, except as specifically limited or provided by this or the appointing instrument, shall have all of the rights, titles, powers, duties, discretions and immunities of the trustee, without liability for any action taken or omitted to be taken under this or the appointing instrument.
 - o. To appoint or remove by written instrument any bank, wherever located, as custodian of part or all of the trust fund, and each such custodian shall have such rights, powers, duties and discretions as are delegated to it by the trustee.
 - p. To employ agents, attorneys, accountants or other persons, and to delegate to them such powers as the trustee considers desirable, and the trustee shall be protected in acting or refraining from acting on the advice of persons so employed without court action.
 - q. To perform any and all other acts which in the trustee's judgment are appropriate for the proper management, investment and distribution of the trust fund.
2. **PRINCIPAL AND INCOME.** Any income earned on the trust fund which is not distributed as provided in Article II shall be accumulated and from time to time added to the principal of the trust. The grantor's interest in the trust shall include all assets or other property held by the trustee hereunder, including principal and accumulated income.
 3. **STATEMENTS.** The trustee shall prepare and deliver monthly to the administrator and annually to the grantor, if then living, otherwise to each beneficiary then entitled to distributions under this agreement, a statement (or series of statements) setting forth (or which taken together set forth) all investments, receipts, disbursements and other transactions effected by the trustee during the reporting period; and showing the trust fund and the value thereof at the end of such period.
 4. **COMPENSATION AND EXPENSES.** All reasonable costs, charges and expenses incurred in the administration of this trust, including compensation to the trustee, any compensation to agents, attorneys, accountants and other persons employed by the trustee, and expenses incurred in connection with the sale, investment and reinvestment of the trust fund shall be paid from the trust fund.

**ARTICLE IV
GENERAL PROVISIONS**

1. **INTERESTS NOT TRANSFERABLE.** The interests of the grantor or other persons entitled to distributions hereunder are not subject to their debts or other obligations and may not be voluntarily or involuntarily sold, transferred, alienated, assigned or encumbered.
2. **DISAGREEMENT AS TO ACTS.** If there is a disagreement between the trustee and anyone as to any act or transaction reported in any accounting, the trustee shall have the right to a settlement of its account by any proper court.
3. **TRUSTEE'S OBLIGATIONS.** No power, duty or responsibility is imposed on the trustee except as set forth in this agreement. The trustee is not obliged to determine whether funds delivered to or distributions

from the trust are proper under the trust, or whether any tax is due or payable as a result of any such delivery or distribution. The trustee shall be protected in making any distribution from the trust as directed pursuant to Article II without inquiring as to whether the distributee is entitled thereto; and the trustee shall not be liable for any distribution made in good faith without written notice or knowledge that the distribution is not proper under the terms of this agreement.

4. **GOOD FAITH ACTIONS.** The trustee's exercise or non-exercise of its powers and discretions in good faith shall be conclusive on all persons. No one shall be obliged to see to the application of any money paid or property delivered to the trustee. The certificate of the trustee that it is acting according to this agreement will fully protect all persons dealing with the trustee.
5. **WAIVER OF NOTICE.** Any notice required under this agreement may be waived by the person entitled to such notice.
6. **CONTROLLING LAW.** The laws of the State of Illinois shall govern the interpretation and validity of the provisions of this agreement and all questions relating to the management, administration, investment and distribution of the trust hereby created.
7. **SUCCESSORS.** This agreement shall be binding on all persons entitled to distributions hereunder and their respective heirs and legal representatives, and on the trustee and its successors.

ARTICLE V CHANGES IN TRUSTEE

1. **RESIGNATION OR REMOVAL OF TRUSTEE.** The trustee may resign at any time by giving thirty (30) days' advance written notice to the administrator and the grantor. The administrator may remove a trustee by written notice to the trustee and the grantor.
2. **APPOINTMENT OF SUCCESSOR TRUSTEE.** The administrator shall fill any vacancy in the office of trustee as soon as practicable by written notice to the successor trustee; and shall give prompt written notice thereof to the grantor, if then living, otherwise to each beneficiary then entitled to payments or distributions under this agreement. A successor trustee shall be a bank (as defined in Section 581 of the Internal Revenue Code of 1986, as amended).
3. **DUTIES OF RESIGNING OR REMOVED TRUSTEE AND OF SUCCESSOR TRUSTEE.** A trustee that resigns or is removed shall furnish promptly to the administrator and the successor trustee an account of its administration of the trust from the date of its last account. Each successor trustee shall succeed to the title to the trust fund vested in its predecessor without the signing or filing of any instrument, but each predecessor trustee shall execute all documents and do all acts necessary to vest such title of record in the successor trustee. Each successor trustee shall have all the powers conferred by this agreement as if originally named trustee. No successor trustee shall be personally liable for any act or failure to act of a predecessor trustee. With the approval of the administrator, a successor trustee may accept the account furnished and the property delivered by a predecessor trustee without incurring any liability for so doing, and such acceptance will be complete discharge to the predecessor trustee.

ARTICLE VI AMENDMENT AND TERMINATION

1. **AMENDMENT.** With the consent of the administrator, this trust may be amended from time to time by the grantor, if then living, otherwise by a majority of the beneficiaries then entitled to payments or distributions hereunder, except as follows:
 - a. The duties and liabilities of the trustee cannot be changed substantially without its consent.
 - b. This trust may not be amended so as to make the trust revocable.

2. **TERMINATION.** This trust shall not terminate, and all rights, titles, powers, duties, discretions and immunities imposed on or reserved to the trustee, the administrator, the grantor and the beneficiaries shall continue in effect, until all assets of the trust have been distributed by the trustee as provided in Article II.

* * *

IN WITNESS WHEREOF, the grantor and the trustee have executed this agreement as of the day and year first above written.
Grantor

The Northern Trust Company as Trustee

By

Its

ABBVIE SUPPLEMENTAL PENSION PLAN

(Amended and Restated Effective as of January 1, 2022)

**ABBVIE
SUPPLEMENTAL PENSION PLAN**

**SECTION 1
INTRODUCTION**

1-1. The Board of Directors of AbbVie Inc. (“AbbVie”) adopted this AbbVie Supplemental Pension Plan (the “Supplemental Plan” or “Plan”) effective as of January 1, 2013. The Plan provides for payment of (a) pension benefits calculated under the AbbVie Pension Plan (the “Pension Plan”) in excess of those which may be paid under that plan under the limits imposed by Section 415 of the U.S. Internal Revenue Code, as amended (the “Code”), and the Employee Retirement Income Security Act, as amended (“ERISA”), and (b) the additional pension benefits that would be payable under the Pension Plan if deferred awards under certain AbbVie non-qualified deferred compensation plans were included in “final earnings” as defined in the Pension Plan. The Plan is hereby amended and restated effective as of January 1, 2022.

1-2. The Supplemental Plan shall apply to employees of AbbVie and its subsidiaries and affiliates existing as of the date of adoption of the Supplemental Plan or thereafter created or acquired. AbbVie and each of such subsidiaries and affiliates are hereinafter referred to as an “employer” and collectively as the “employers.”

1-3. All benefits provided under the Supplemental Plan shall be provided from the general assets of the employers and not from any trust fund or other designated asset. All participants in the Supplemental Plan shall be general creditors of the employers with no priority over other creditors.

1-4. The Supplemental Plan shall be administered by the AbbVie Employee Benefit Board of Review appointed and acting under the Pension Plan (the “Board of Review”). Except as stated below, the Board of Review shall perform all powers and duties with respect to the Supplemental Plan, including the power to direct payment of benefits, allocate costs among employers, adopt amendments and determine questions of interpretation. The Board of Directors of AbbVie (the “Board of Directors”) shall have the sole authority to terminate the Supplemental Plan.

1-5. As part of the Separation and Distribution Agreement by and between Abbott Laboratories and AbbVie Inc. dated as of November 28, 2012, Abbott Laboratories (“Abbott”) and AbbVie entered into the Employee Matters Agreement dated as of December 31, 2012 (the “EMA”). In accordance with the EMA, all liabilities for AbbVie Employees (as defined in the EMA) under the Abbott Laboratories Supplemental Pension Plan were transferred to the Plan and the Plan became liable to pay all such benefits to such participants. Supplement A to the Plan sets forth the additional rules applicable to the transferred benefits and transferred participants.

**SECTION 2
ERISA PENSION PLAN SUPPLEMENTAL BENEFIT**

2-1. The benefits described in this Section 2 shall apply to all participants in the Pension Plan who retire, or terminate with a vested pension, under that plan on or after January 1, 2013.

2-2. Each Pension Plan participant whose retirement or vested pension under that plan would otherwise be limited by Code Section 415 shall receive a supplemental pension under this Supplemental Plan in an amount which, when added to his or her Pension Plan benefit (calculated as if such benefit had been payable based on the distribution rules established hereunder and the pension form selected by the

participant as permitted by subsections 8-3 and 8-4), will equal the amount the participant would be entitled to under the Pension Plan as in effect from time to time, calculated as if such benefit had been payable based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4, without regard to the limitations imposed by Code Section 415.

SECTION 3

1986 TAX REFORM ACT SUPPLEMENTAL BENEFIT

3-1. The benefits described in this Section 3 shall apply to all participants in the Pension Plan who retire or terminate on or after January 1, 2013 with a vested pension under that plan.

3-2. Each Pension Plan participant shall receive a supplemental pension under this Supplemental Plan in an amount determined as follows:

- a. The supplemental pension shall be the difference, if any, between:
 - i. the hypothetical monthly benefit that would have been payable under the Pension Plan based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4 plus any supplement provided by Section 2; and
 - ii. the hypothetical monthly benefit that would have been payable under the Pension Plan, calculated based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4 (without regard to the limits imposed by Code Section 415) if the participant's "final earnings," as defined in the Pension Plan, had included compensation in excess of the limits imposed by Code Section 401(a)(17), and any "pre-tax contributions" made by the participant under the AbbVie Supplemental Savings Plan.

SECTION 4

DEFERRED COMPENSATION PLAN PENSION PLAN SUPPLEMENTAL BENEFIT

4-1. The benefits described in this Section 4 shall apply to all participants in the Pension Plan who retire or terminate on or after January 1, 2013 with a vested pension under that plan, and who made a Deferral Election under the AbbVie Deferred Compensation Plan (the "Deferred Compensation Plan") with respect to any calendar month during the one hundred twenty consecutive calendar months immediately preceding retirement or termination of employment.

4-2. Each Pension Plan participant shall receive a supplemental pension under this Supplemental Plan in an amount determined as follows:

- a. The supplemental pension shall be the difference, if any, between:
 - i. the hypothetical monthly benefit that would have been payable under the Pension Plan based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4 plus any supplement provided by Section 2 and Section 3; and
 - ii. the hypothetical monthly benefit that would have been payable under the Pension Plan, calculated based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4 (without regard to the limits imposed by Code Section 415) if the participant's "base earnings," as defined in the

Pension Plan, included deferrals made under the Deferred Compensation Plan and any compensation in excess of the limits imposed by Code Section 401(a)(17).

SECTION 5
DEFERRED MIP PENSION PLAN SUPPLEMENTAL BENEFIT

5-1. The benefits described in this Section 5 shall apply to all participants in the Pension Plan who retire or terminate on or after January 1, 2013 with a vested pension under that plan and who received Management Incentive Plan awards for any calendar year during the ten consecutive calendar years ending with the year of retirement or termination of employment.

5-2. Each Pension Plan participant shall receive a supplemental pension under this Supplemental Plan in an amount determined as follows:

- a. The supplemental pension shall be the difference, if any, between:
 - i. the hypothetical monthly benefit that would have been payable under the Pension Plan based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4 plus any supplement provided by Section 2, Section 3, and Section 4; and
 - ii. the hypothetical monthly benefit that would have been payable under the Pension Plan, calculated based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4 (without regard to the limits imposed by Code Section 415) if the participant's "final earnings," as defined in the Pension Plan, were one-sixtieth of the sum of:
 - a. the participant's total "basic earnings" (excluding any payments under the Management Incentive Plan, any division incentive plan or any comparable incentive plan) received in the sixty consecutive calendar months for which his or her basic earnings (excluding any payments under the Management Incentive Plan, any division incentive plan or any comparable incentive plan) were highest; and
 - b. the amount of the participant's total awards under the Management Incentive Plan, any division incentive plan and any comparable incentive plan (whether paid immediately or deferred) made for the five consecutive calendar years during the ten consecutive calendar years ending with the year of retirement or termination for which such amount is the greatest and (for participants granted Management Incentive Plan awards for less than five consecutive calendar years during such ten year period) which include all Management Incentive Plan awards granted for consecutive calendar years within such ten year period.
- c. That portion of any Management Incentive Plan award which the Compensation Committee of the Board of Directors of AbbVie ("Committee") has determined shall be excluded from the participant's "basic earnings" shall be excluded from the calculation of "final earnings" for purposes of this subsection 5-2. "Final earnings" for purposes of this subsection 5-2 shall include any compensation in excess of the limits imposed by Code Section 401(a)(17).
- d. In the event the period described in subsection 5-2(a)(ii)(B) is the final five calendar years of employment and a Management Incentive Plan award is made to the participant

subsequent to retirement for the participant's final calendar year of employment, the supplemental pension shall be adjusted by adding such new award and subtracting a portion of the earliest Management Incentive Plan award included in the calculation, from the amount determined under subsection 5-2(a)(ii)(B). The portion subtracted shall be equal to that portion of the participant's final calendar year of employment during which the participant was employed by AbbVie.

- e. Under no circumstance shall the total supplemental pension benefit of any participant who previously received distributions from the Supplemental Plan be less than the amount that would have been payable under section 5-2(a) had such participant retired as of December 31 of any prior year, determined pursuant to the applicable actuarial assumptions in effect on that date.

SECTION 6
CORPORATE OFFICER PENSION PLAN SUPPLEMENTAL BENEFIT

6-1. The benefits described in this Section 6 shall apply to all participants in the Pension Plan who are corporate officers of AbbVie as of January 1, 2013 or who become corporate officers thereafter, and who retire or terminate with a vested pension under that plan on or after January 1, 2013. The term "corporate officer" for purposes of this Supplemental Plan shall mean an individual elected an officer of AbbVie by its Board of Directors (or designated as such for purposes of this Section 6 by the Compensation Committee), but shall not include assistant secretaries, assistant treasurers or other assistant officers.

6-2. Subject to the limitations and adjustments described below, each participant described in subsection 6-1 shall receive a monthly supplemental pension under this Supplemental Plan commencing on the date determined in accordance with subsection 8-2 and payable as a life annuity, equal to 6/10 of 1 percent (.006) of the participant's final earnings (as determined under subsection 5-2) for each of the first twenty years of the participant's benefit service (as defined in the Pension Plan) occurring after the participant's attainment of age 35.

6-3. In no event shall the sum of (a) the participant's aggregate percentage of final earnings calculated under subsection 6-2 and (b) the participant's aggregate percentage of final earnings calculated under subsection 5.1 of the Pension Plan, excluding 5.1(a)(ii)(B), exceed the maximum aggregate percentage of final earnings allowed under subsection 5.1 (also excluding 5.1(a)(ii)(B)) of the Pension Plan (without regard to any limits imposed by the Internal Revenue Code), as in effect on the date of the participant's retirement or termination. In the event the limitation described in this subsection 6-3 would be exceeded for any participant, the participant's aggregate percentage calculated under subsection 6-2 shall be reduced until the limit is not exceeded.

6-4. Benefit service occurring between the date a participant ceases to be a corporate officer of AbbVie and the date the participant again becomes a corporate officer of AbbVie shall be disregarded in calculating the participant's aggregate percentage under subsection 6-2.

6-5. Any supplemental pension otherwise due a participant under this Section 6 shall be reduced by the amount (if any) by which:

- a. the hypothetical benefits that would be payable to such participant under the Pension Plan, based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4, and this Supplemental Plan exceeds

- b. the hypothetical maximum benefit that would be payable to the participant under the Pension Plan, calculated based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4 (without regard to the limits imposed by Code Section 415) based on the participant's final earnings (as determined under subsection 5-2), if the participant had accrued the maximum benefit service recognized by the Pension Plan.

6-6. Any supplemental pension due a participant under this Section 6 shall be actuarially adjusted as provided in the Pension Plan to reflect the pension form selected by the participant as permitted by subsections 8-3 and 8-4 and the participant's age at commencement of the pension as provided in Section 7.

SECTION 7
CORPORATE OFFICER PENSION PLAN
SUPPLEMENTAL EARLY RETIREMENT BENEFIT

7-1. The benefits described in this Section 7 shall apply to all persons described in subsection 6-1.

7-2. The supplemental pension due under Sections 2, 3, 4, 5 and 6 to each participant described in subsection 7-1 shall be reduced in accordance with the rules provided in subsections 5-3 and 5-6 of the Pension Plan for each month by which its commencement date precedes the last day of the month in which the participant will attain age 60. No reduction will be made for the period between the last day of the months in which the participant will attain age 60 and age 62.

7-3. Each participant described in subsection 7-1 shall receive a monthly supplemental pension under this Supplemental Plan equal to any hypothetical reduction made in such participant's Pension Plan pension in accordance with the rules provided in subsections 5.3 and 5.6 of the Pension Plan for the period between the last day of the months in which the participant will attain age 60 and age 62, calculated as if the participant had commenced receipt of the participant's Pension Plan benefit on the same date on which the participant commences receipt of the participant's supplemental pension based on the distribution rules established hereunder and the pension form selected by the participant as permitted by subsections 8-3 and 8-4.

SECTION 8
MISCELLANEOUS

8-1. For purposes of this Supplemental Plan, the term "Management Incentive Plan" shall mean the AbbVie 2013 Management Incentive Plan, the AbbVie 2013 Performance Incentive Plan, the AbbVie Managerial Incentive Plan, and any successor or alternative to any of those plans.

8-2. The monthly vested supplemental pension described in Sections 2, 3, 4, 5, 6 and 7 shall commence to be paid to the participant or his or her beneficiary on the last day of the month following the month in which:

- a. For any Transferred Participant or Post-Distribution Participant (both as defined in Supplement A) who has an Old Formula Benefit (as defined in the Pension Plan) under the Pension Plan, the later of the date on which such participant attains age 50 and the date such participant's employment is terminated; or

- b. For any Transferred Participant or Post-Distribution Participant (both as defined in Supplement A) who does not have an Old Formula Benefit (as defined in the Pension Plan) under the Pension Plan and any participant who does not fall into the preceding categories hired by AbbVie on or after January 1, 2013, the later of the date on which such participant attains age 55 and the date such participant's employment is terminated.

Notwithstanding the foregoing provisions of this subsection 8-2, any participant eligible to make an election under Section 9 may make such election with respect to any accruals for services performed in the year following the year such election is made.

Notwithstanding the foregoing provisions of this subsection 8-2, in the event that the present value of participant's supplemental pension under Sections 2, 3, 4, 5, 6 and 7 does not exceed in the aggregate \$25,000 as of the commencement date of the pension payable to such participant or his or her beneficiary, and payment of such supplemental pension has not been previously made under Section 9, the present value of such supplemental pension shall be paid to such participant in a lump sum on such commencement date.

8-3. Except as otherwise specifically provided, payment of the monthly vested supplemental pension described in Sections 2, 3, 4, 5, 6, and 7 shall be made to a participant as follows:

- a. Life Annuity. A participant who is not legally married on the date as of which such payments commence shall receive a monthly retirement income or monthly deferred vested benefit in accordance with the plan payable on a life annuity basis, with the last payment to be made for the month in which his or her death occurs.
- b. 50% Joint and Survivor Annuity. A participant who is legally married on the date as of which such payments commence shall receive a 50% joint and survivor annuity which is actuarially equivalent to the amount of monthly retirement income or monthly deferred vested benefit otherwise payable to him or her in accordance with the plan on a life annuity basis. Such joint and survivor annuity shall consist of a reduced monthly retirement income or monthly deferred vested benefit continuing during the participant's lifetime, and if the participant's spouse is living at the date of the participant's death, payment of one-half of such reduced monthly retirement income or monthly deferred vested benefit to such spouse until the spouse's death occurs, with the last payment to be made for the month of the death of the last to die of the participant and his or her spouse. The joint and survivor annuity payable hereunder to or with respect to a participant who retires on a late retirement date shall be computed as if such participant had retired on his or her normal retirement date using for the age of his or her spouse as of his or her late retirement date, that spouse's age as of his or her normal retirement date.

8-4. In lieu of the form and amount of supplemental pension benefit specified in subsection 8-3, a participant may elect, prior to commencement, a supplemental pension benefit which is actuarially equivalent to the form of payment specified in subsection 8-3(a), in the annuity forms permitted by the Board of Review, provided that the scheduled date for the first annuity payment is not changed as a result of such election. For purposes of this provision, the term "actuarially equivalent" shall have the meaning provided by Treasury Regulation §1.409A-2(b)(2)(ii)(A), applying reasonable actuarial methods and assumptions, which must be the same for each annuity payment option and otherwise comply with the rules provided by Treasury Regulation §1.409A-2(b)(2)(ii)(D).

An election under this subsection 8-4 must be in writing, signed by the participant, and filed with the Board of Review at such time and in such manner as the Board of Review shall determine; and will be effective only if the participant's spouse, if any, consents to the election in writing, and such consent

acknowledges the effect of the election and is witnessed by a plan representative or a notary public. In any case where a participant elects an optional form of benefit, the option shall be designed so that more than 50 percent of the actuarial reserve required to provide the participant's monthly vested supplemental pension benefit in the normal form will be applied to provide the participant's benefits under the option during the period of the participant's life expectancy. Payment of an optional form of benefit will commence no later than the date on which the participant's monthly supplemental pension benefit would otherwise commence. An election under this subsection 8-4 may not be changed after payment of the participant's supplemental pension benefit has commenced.

8-5. Notwithstanding any other provision of this Supplemental Plan, if a participant terminates employment within two (2) years following the occurrence of a Change in Control, the present value of his or her supplemental pension under Sections 2, 3, 4 and 5 (but excluding any amounts with respect to which an election under Section 9 has been made, whether or not then payable or vested) shall be paid to such participant in a lump sum, calculated using reasonable actuarial assumptions and methods, within thirty (30) days following the date of such termination of employment; provided that the event constituting a Change in Control is also a "change in control event," as such term is defined in Treasury Regulation § 1.409A-3(i)(5). The supplemental pension under Section 2 shall be computed using as the applicable limit under Code Section 415, such limit as is in effect on the termination date and based on the assumption that the participant will receive his or her supplemental pension in the form of a straight life annuity with no ancillary benefits. The present values of the supplemental pensions under Sections 2, 3, 4 and 5 shall be computed as of the date of payment using an interest rate equal to the Pension Benefit Guaranty Corporation interest rate applicable to an immediate annuity, as in effect on the date of payment.

8-6. For purposes of subsection 8-5, a "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

- a. the date any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of AbbVie (not including in the securities beneficially owned by such Person any securities acquired directly from AbbVie or its Affiliates) representing 20% or more of the combined voting power of AbbVie's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (c) below; or
- b. the date the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of AbbVie) whose appointment or election by the Board of Directors or nomination for election by AbbVie's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or
- c. the date on which there is consummated a merger or consolidation of AbbVie or any direct or indirect subsidiary of AbbVie with any other corporation or other entity, other than (i) a merger or consolidation (A) immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors of AbbVie, the entity surviving such merger or consolidation or, if AbbVie or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof and (B) which results in the voting securities of AbbVie outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any

parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of AbbVie or any subsidiary of AbbVie, at least 50% of the combined voting power of the securities of AbbVie or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of AbbVie (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of AbbVie (not including in the securities Beneficially Owned by such Person any securities acquired directly from AbbVie or its Affiliates) representing 20% or more of the combined voting power of AbbVie's then outstanding securities; or

- d. the date the shareholders of AbbVie approve a plan of complete liquidation or dissolution of AbbVie or there is consummated an agreement for the sale or disposition by AbbVie of all or substantially all of AbbVie's assets, other than a sale or disposition by AbbVie of all or substantially all of AbbVie's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of AbbVie, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of AbbVie or any subsidiary of AbbVie, in substantially the same proportions as their ownership of AbbVie immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of AbbVie immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of AbbVie immediately following such transaction or series of transactions.

For purposes of this Supplemental Plan: "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act; "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act; "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time; and "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) AbbVie or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of AbbVie or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of AbbVie in substantially the same proportions as their ownership of stock of AbbVie.

8-7. **POTENTIAL CHANGE IN CONTROL.** A "Potential Change in Control" shall exist during any period in which the circumstances described in paragraphs (a), (b), (c) or (d), below, exist (provided, however, that a Potential Change in Control shall cease to exist not later than the occurrence of a Change in Control):

- a. AbbVie enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, provided that a Potential Change in Control described in this paragraph (a) shall cease to exist upon the expiration or other termination of all such agreements.
- b. Any Person (without regard to the exclusions set forth in subsections (i) through (iv) of such definition) publicly announces an intention to take or to consider taking actions the consummation of which would constitute a Change in Control; provided that a Potential Change in Control described in this paragraph (b) shall cease to exist upon the withdrawal of such intention, or upon a determination by the Board of Directors that there is no reasonable chance that such actions would be consummated.

- c. Any Person becomes the Beneficial Owner, directly or indirectly, of securities of AbbVie representing 10% or more of either the then outstanding shares of common stock of AbbVie or the combined voting power of AbbVie's then outstanding securities (not including any securities beneficially owned by such Person which are or were acquired directly from AbbVie or its Affiliates).
- d. The Board of Directors adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control exists; provided that a Potential Change in Control described in this paragraph (d) shall cease to exist upon a determination by the Board of Directors that the reasons that gave rise to the resolution providing for the existence of a Potential Change in Control have expired or no longer exist.

8-8. The provisions of subsections 8-5, 8-6, 8-7 and this subsection 8-8 may not be amended or deleted, nor superseded by any other provision of this Supplemental Plan, (a) during the pendency of a Potential Change in Control and (b) during the period beginning on the date of a Change in Control and ending on the date five (5) years following such Change in Control.

8-9. All benefits due under this Supplemental Plan shall be paid by AbbVie and AbbVie shall be reimbursed for such payments by the employee's employer. In the event the employee is employed by more than one employer, each employer shall reimburse AbbVie in proportion to the period of time the employee was employed by such employer, as determined by the Board of Review in its sole discretion.

8-10. The benefits under the Supplemental Plan are not in any way subject to the debts or other obligations of the persons entitled to benefits and may not be voluntarily or involuntarily sold, transferred or assigned.

8-11. Nothing contained in this Supplemental Plan shall confer on any employee the right to be retained in the employ of AbbVie or any of its subsidiaries or affiliates.

8-12. Upon adoption of this Supplemental Plan, the prior resolutions shall be deemed rescinded.

8-13. A participant shall not become vested in the participant's supplemental pension under Sections 2, 3, 4, 5, 6 and 7 until the participant has attained sixty (60) months of vesting service. For purposes of the Supplemental Plan, a participant shall be entitled to 1/12th of a year of vesting service for each calendar month (or portion thereof) during which the participant is employed by an employer. The payments required by Section 8 or Section 9 of the Supplemental Plan shall, in each case, relate only to the vested portion of a participant's supplemental pension.

8-14. To the extent applicable, it is intended that the Supplemental Plan comply with the provisions of Code Section 409A. The Supplemental Plan will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Supplemental Plan to fail to satisfy Code Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Code Section 409A). Notwithstanding anything contained herein to the contrary, a participant shall not be considered to have terminated employment with AbbVie or any employer hereunder for purposes of the Supplemental Plan and no payments shall be due under Supplemental Plan which are payable upon the participant's termination of employment unless the participant would be considered to have incurred a "separation from service" from AbbVie within the meaning of Code Section 409A. To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, amounts that would otherwise be payable pursuant to the Supplemental Plan during the six-month period immediately following the participant's termination of employment shall instead be paid on the first business day after the date that is six months following the participant's termination of employment (or upon the participant's death, if

earlier), plus interest thereon, at a rate equal to the applicable "Federal short-term rate" (as defined in Code Section 1274(d)) for the month in which such termination of employment occurs (to the extent that such interest is not already provided to the participant under subsection 9-8), from the respective dates on which such amounts would otherwise have been paid until the actual date of payment. With respect to expenses eligible for reimbursement under the terms of the Supplemental Plan, (a) the amount of such expenses eligible for reimbursement in any taxable year shall not affect the expenses eligible for reimbursement in another taxable year and (b) any reimbursements of such expenses shall be made no later than the end of the calendar year following the calendar year in which the related expenses were incurred, except, in each case, to the extent that the right to reimbursement does not provide for a "deferral of compensation" within the meaning of Code Section 409A.

8-15. In accordance with Treasury Regulation § 1.409A-3(j)(4)(ii), distributions shall be made to an individual (other than to the participant) pursuant to the terms of a "domestic relations order" (as defined in Internal Revenue Code Section 414(p)(1)(B)), as determined and administered by the AbbVie Senior Vice President, Human Resources (or the individual holding equivalent duties and responsibilities) or his or her delegate, provided that such order (a) does not require the plan to provide any type or form of benefit, or any option not otherwise provided under the plan, (b) does not require the plan to provide increased benefits, and (c) does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order.

SECTION 9 ALTERNATE PAYMENT OF SUPPLEMENTAL PENSIONS

The provisions of this Section 9 shall apply only to (i) Plan participants who became corporate officers before January 1, 2015 and (ii) Supplemental Plan participants who participated in the AbbVie Pension Plan as of January 1, 2013 and were designated as executive officers of AbbVie on or before January 1, 2018.

9-1. A participant who is actively employed by AbbVie as a corporate officer as of December 31 of his or her first year as a corporate officer shall be entitled to receive payment of the present value of the vested supplemental pension described in Sections 2, 3, 4, 5, 6 and 7 which accrues with respect to the year and shall elect to receive such payment by either of the following methods: (a) current payment in cash directly to the participant, or (b) current payment of a portion of such present value in cash for the participant directly to a Grantor Trust established by the participant, determined to be substantially similar to the form of Grantor Trust attached hereto as Exhibit A, and current payment of the balance of such present value in cash paid directly to or withheld on behalf of the participant equal to the aggregate federal, state and local individual income and employment taxes owed with respect to the gross payment (as determined in accordance with subsection 9-10). The payment of any amount provided under this subsection 9-1 shall be made to the Grantor Trust established by the participant within the thirty (30)-day period beginning April 1 of the year following the year in which such present value is accrued.

9-2. For each year subsequent to the year in which a participant becomes a corporate officer, if the present value of a participant's vested and accrued supplemental pension has been paid to the participant (including amounts paid to the participant's Grantor Trust) pursuant to subsection 9-1 then, with respect to each subsequent year of active participation, as of that December 31, a participant shall be entitled to a payment in an amount equal to (i) the present value (as of that December 31) of the participant's vested supplemental pension described in Sections 2, 3, 4, 5, 6 and 7, less (ii) the current value (as of that December 31) of the payments previously made to the participant under subsections 9-1 and 9-2 (if any). Each year a participant who is a corporate officer may elect to receive payment of the amounts described in subparagraphs (i) and (ii) above for the year by either of the following methods: (a) current payment in cash directly to the participant, or (b) current payment of such amount in cash for the participant directly to a Grantor Trust established by the participant (less the aggregate federal, state and

local individual income and employment taxes paid to or withheld on behalf of the participant (as determined in accordance with subsection 9-10)). The payment of any amount provided under this subsection 9-2 shall be made to the Grantor Trust established by the participant within the thirty (30)-day period beginning April 1 of the year following the year in which such present value is accrued. No payments shall be made under this subsection 9-2 as of any December 31 after the calendar year in which the participant retires or otherwise terminates employment with AbbVie.

9-3. Present values for the purposes of subsections 9-1 and 9-2 shall be determined using reasonable actuarial assumptions specified for this purpose by AbbVie and consistently applied in accordance with the requirements of Treasury Regulation §1.409A-2(b)(2)(ii)(D). The “current value” of the payments previously made to a participant under subsection 9-2 means the aggregate amount of such payments, with interest thereon (at the rate specified in subsection 9-7).

9-4. AbbVie, as the administrator of the participant’s Grantor Trust, may direct the trustee to distribute to the participant from the income of such Grantor Trust an amount sufficient to pay the taxes on the Grantor Trust earnings for such year, to the extent a sufficient sum of money has not been paid to, or withheld on behalf of, the participant pursuant to subsection 9-8. The taxes shall be determined in accordance with subsection 9-10.

9-5. Except as provided in subsection 9-9, a participant shall be deemed to have irrevocably waived and shall be foreclosed from any right to receive any supplemental pension benefits on that portion of the supplemental pension that the participant elects to be paid in cash under subsection 9-1 or 9-2. A participant who has elected to receive a payment under subsection 9-1 or 9-2 to a Grantor Trust must establish such trust in a form which AbbVie determines to be substantially similar to the trust attached to this Supplemental Plan as Exhibit A. If a participant fails to make an election under subsection 9-1 or 9-2, or if a participant makes an election under subsection 9-1 or 9-2 to receive payment in a Grantor Trust but fails to establish a Grantor Trust, then payment shall be made in cash directly to the participant.

9-6. AbbVie will establish and maintain a separate Supplemental Pension Account in the name of each participant, a separate After-Tax Supplemental Pension Account in the name of each participant, and a separate Tax Payment Account in the name of each participant. The Supplemental Pension Account shall reflect any amounts: (a) paid to, or withheld on behalf of, a participant to satisfy the aggregate federal, state and local individual income and employment taxes (including amounts paid to a participant’s Grantor Trust) pursuant to subsections 9-1 and 9-2 and (b) disbursed to a participant for supplemental pension benefits (or which would have been disbursed to a participant if the participant had not elected to receive a cash disbursement pursuant to subsections 9-1 and 9-2). The After-Tax Supplemental Pension Account shall also reflect such amounts but shall be maintained on an after-tax basis. The accounts established pursuant to this subsection 9-6 are for administrative convenience, and no trust relationship with respect to such accounts is intended or should be implied.

9-7. As of the end of each calendar year, a participant’s Supplemental Pension Account shall be credited with interest calculated at the rate of eight percent (8%) per year. Any amount so credited shall be referred to as a participant’s “Interest Accrual.” The calculation of the Interest Accrual shall be based on the balance of the payments made pursuant to subsections 9-1 and 9-2 and any Interest Accrual thereon from previous years. As of the end of each calendar year a participant’s After-Tax Supplemental Pension Account shall be credited with interest which shall be referred to as the After-Tax Interest Accrual. The “After-Tax Interest Accrual” shall be an amount equal to the product of (a) the Interest Accrual credited to the participant’s Supplemental Pension Account for such year multiplied by (b) one minus the aggregate of the federal, state, and local individual income tax rates and employment tax rate (determined in accordance with subsection 9-10).

9-8. In addition to any payment made to a participant for a calendar year pursuant to subsections 9-1 and 9-2, a participant shall also be entitled to a payment (an "Interest Payment") for each year in which the Grantor Trust is in effect. For all participants who are Transferred Participants under Supplement A, the Interest Payment shall equal the excess of the gross amount of the participant's Interest Accrual (as defined in subsection 9-7), over the net income of the participant's Grantor Trust for the year, as adjusted by the amounts described in Schedule A, and shall be paid within the thirty (30)-day period beginning April 1 of the following fiscal year. A portion of such Interest Payment, equal to the excess, if any, of the Net Interest Accrual over the net earnings of the participant's Grantor Trust, shall be deposited in the participant's Grantor Trust, with the balance paid to, or withheld on behalf of, the Participant; provided, however, in the event that the net earnings of the participant's Grantor Trust exceeds the Net Interest Accrual, a distribution from the Grantor Trust shall be required in accordance with subsection 9-4. A participant's Net Interest Accrual for a year is an amount equal to the After-Tax Interest Accrual credited to the participant's After-Tax Supplemental Pension Account for that year in accordance with subsection 9-7. No payments shall be made under this subsection 9-8 for any year following the year in which the participant dies, retires or otherwise terminates employment with AbbVie.

9-9. In addition to and notwithstanding the payments made to a participant's Grantor Trust under subsections 9-1 and 9-2 and subject only to the subsequent election requirements of Treasury Regulation § 1.409A-2(b), AbbVie shall make the monthly vested supplemental pension payments that would have been payable to the participant had no payments been made to the participant's Grantor Trust under subsections 9-1 and 9-2 in the form provided by subsection 8-3. The monthly vested supplemental pension payments hereunder shall commence on the first business day of February following the sixth anniversary of the participant's termination of employment and ending with the month of the participant's (or surviving spouse's) death. By way of example, (a) if a participant terminated employment on June 1, 2013, the commencement date would be the first business day in February, 2020, and (b) if a participant terminated employment on January 15, 2013, the commencement date would be the first business day in February, 2019. Payments under this subsection 9-9 shall be made by the employers (in such proportions as AbbVie shall designate) directly from their general corporate assets. Payment of the annuity required by this subsection 9-9 may be deferred by AbbVie in compliance with the subsequent election requirements of Treasury Regulation § 1.409A-2(b). Any election to defer payment hereunder shall not take effect until at least 12 months after the election is made; shall be made not less than 12 months before the annuity commencement date; and shall require payment to be deferred for a period of no less than five years from such annuity commencement date.

9-10. For purposes of this Supplemental Plan, a participant's federal income tax rate shall be deemed to be the highest marginal rate of federal individual income tax in effect in the calendar year in which a calculation under this Supplemental Plan is to be made; state and local tax rates shall be deemed to be the highest marginal rates of individual income tax in effect in the state and locality of the participant's residence in the calendar year for which such a calculation is to be made; and a participant's employment tax rate shall be deemed to be the highest marginal rate of Federal Insurance Contributions Act tax in effect in the calendar year for which such a calculation is to be made, net of any federal tax benefits without a benefit for any net capital losses. Any employer shall be entitled, if necessary or desirable, to pay, or withhold the amount of any federal, state or local tax, attributable to any amounts payable by it under the Supplemental Plan, and may require payment or indemnification from the participant in an amount necessary to satisfy such taxes prior to remitting such taxes.

9-11. Each participant's Grantor Trust assets shall be invested solely in the instruments specified by investment guidelines established by the Committee. Such investment guidelines, once established, may be changed by the Committee, provided that any change shall not take effect until the year following the year in which the change is made and provided further that the instruments specified shall be consistent with the provisions of Section 3(b) of the form of Grantor Trust attached hereto as Exhibit A.

9-12. Notwithstanding anything contained in the Supplemental Plan to the contrary, the Grantor Trusts established by the participants under the Supplemental Plan shall be funded in accordance with the requirements of Code Section 409A.

SUPPLEMENT A

SPECIAL RULES RELATED TO TRANSFER FROM ABBOTT LABORATORIES SUPPLEMENTAL PENSION PLAN

A-1. Purpose and Effect. The purpose of this Supplement A is to provide for the transfer of liabilities from the Abbott Laboratories Supplemental Pension Plan (the "Abbott SERP") to this Supplemental Plan with respect to Transferred Participants and Post-Distribution Participants as set forth in the Separation Agreement.

A-2. Eligibility, Service and Compensation. Transferred Participants and Post-Distribution Participants shall (a) be eligible to participate in the AbbVie SERP to the extent they were eligible to participate in the Abbott SERP as of the applicable Transfer Date (as defined in the EMA), and (b) receive credit for vesting, eligibility and benefit service for all service credited for those purposes under the Abbott SERP as of the Transfer Date (as defined in the EMA) as if that service had been rendered to AbbVie (provided that in the event that any such Transferred Participant or Post-Distribution Participant receives a distribution from the Abbott SERP, the value of such distribution shall be offset against future benefits under the AbbVie SERP to the extent necessary to prevent a duplication of benefits). The compensation paid by Abbott and its subsidiaries to a Transferred Participant or a Post-Distribution Participant that was recognized under the Abbott SERP as of the Transfer Date (as defined in the EMA) shall be credited and recognized for all applicable purposes under the AbbVie SERP as though it were compensation from AbbVie or its Subsidiaries.

A-3. Time and Form of Payment. The accrued benefit of each Transferred Participant and each Post-Distribution Participant under the Abbott SERP as of the applicable Transfer Date (as defined in the EMA) shall be payable under the AbbVie SERP at the time and in a form that would have been permitted under the Abbott SERP as in effect as of such Transfer Date (as defined in the EMA), with employment by Abbott or its subsidiaries prior to the Transfer Date (as defined in the EMA) treated as employment by the AbbVie or its affiliates under the AbbVie SERP for purposes of determining eligibility for optional forms of benefit, early retirement benefits, or other benefit forms; and the AbbVie SERP shall assume and honor the terms of all arrangements relating to beneficiaries and alternate payees in effect and honored under the Abbott SERP as of the applicable Transfer Date with respect to Transferred Participants and Post Distribution Participants.

A-4. Initial Transfer of Liabilities from Abbott SERP. As soon as practicable after the Separation, and subject to such terms and conditions as the Plan Administrator may establish, the Plan shall assume all liabilities and the Abbott SERP shall transfer all liabilities for all obligations under the Abbott SERP for the benefits of Transferred Participants (and their beneficiaries and/or alternate payees) as determined on the applicable Transfer Date (as defined in the EMA).

A-5. Subsequent Transfers. At such time or times as the Plan Administrator and Abbott (or its delegate) shall agree, and subject to such terms and conditions as the Plan Administrator may establish, the Plan shall assume all liabilities and the Abbott SERP shall transfer all liabilities for all obligations under the Abbott SERP for the benefits of Post-Distribution Participants (and their beneficiaries and/or alternate payees) as determined on the applicable Transfer Date (as defined in the EMA).

A-6. Definitions. For purposes of this Supplement A, the following terms are defined as follows:

a. "Post-Distribution Participant" means: (i) a Post-Distribution AbbVie Employee (as defined in the EMA) who (A) was an employee of Abbott Laboratories or its subsidiary as of immediately prior to the Separation (as defined in the Separation Agreement) and is transferred to or hired by AbbVie or its Subsidiary after the Separation (as defined in the Separation Agreement)

and (B) had liabilities associated with his or her accrued benefits (including any accrued benefits with respect to beneficiaries or alternate payees) in the Abbott SERP transferred to this Plan in accordance with this Supplement A; and (ii) any other individual on whose behalf liabilities are transferred from an Abbott pension plan to the Pension Plan during the Transition Period (as described in the EMA).

b. “Transferred Participant” means an AbbVie Employee or an AbbVie LTD Participant (as defined in the EMA), excluding any Post-Distribution AbbVie Employee (as defined in the EMA), who accepts an offer of employment or continues employment with or is transferred to AbbVie Inc. under the EMA on or immediately after the Separation (as defined in the Separation Agreement).

A-7. Grantor Trusts. Certain Transferred Participants and Post-Distribution Participants who participated in the Abbott SERP have established grantor trusts in connection with such plan. Abbott and AbbVie shall use their commercially reasonable best efforts to facilitate the amendment of each such grantor trust to provide that (a) AbbVie is the administrator of such trust and (b) distribution of amounts under such trust is made by reference to termination of employment with AbbVie and its subsidiaries and not termination of employment with the Abbott and its subsidiaries.

A-8. Use of Terms. Terms used in this Supplement A have the meanings of those terms as set forth in the Plan, unless they are defined in this Supplement A. All of the terms and provisions of the Plan shall apply to this Supplement A except that where the terms of the Plan and this Supplement A conflict, the terms of this Supplement A shall govern.

SCHEDULE A

[TO BE INSERTED WHEN AMOUNTS ARE AVAILABLE]

**EXHIBIT A
SUPPLEMENTAL BENEFIT
GRANTOR TRUST**

THIS AGREEMENT, made this day of , 20 , by and between (the “grantor”) and The Northern Trust Company, located at Chicago, Illinois, as trustee (the “trustee”),

WITNESSETH THAT:

WHEREAS, the grantor desires to establish and maintain a trust to hold certain benefits received by the grantor under the AbbVie Supplemental Pension Plan, as it may be amended from time to time.

NOW, THEREFORE, IT IS AGREED as follows:

INTRODUCTION

1. **NAME.** This agreement and the trust hereby evidenced (the “trust”) may be referred to as the “_____ Supplemental Benefit Grantor Trust.”
2. **THE TRUST FUND.** The “trust fund” as at any date means all property then held by the trustee under this agreement.
3. **STATUS OF THE TRUST.** The trust shall be irrevocable. The trust is intended to constitute a grantor trust under Sections 671-678 of the Internal Revenue Code, as amended, and shall be construed accordingly.
4. **THE ADMINISTRATOR.** AbbVie Inc. (“AbbVie”) shall act as the “administrator” of the trust, and as such shall have certain powers, rights and duties under this agreement as described below. AbbVie will certify to the trustee from time to time the person or persons authorized to act on behalf of AbbVie as the administrator. The trustee may rely on the latest certificate received without further inquiry or verification.
5. **ACCEPTANCE.** The trustee accepts the duties and obligations of the “trustee” hereunder, agrees to accept funds delivered to it by the grantor or the administrator, and agrees to hold such funds (and any proceeds from the investment of such funds) in trust in accordance with this agreement.

DISTRIBUTION OF THE TRUST FUND

1. **SUPPLEMENTAL PENSION ACCOUNT.** The administrator shall maintain a “supplemental pension account” under the trust. As of the end of each calendar year, the administrator shall charge the account with all distributions made from the account during that year; and credit the account with its share of trust income and realized gains and charge the account with its share of trust expenses and realized losses for the year.
2. **DISTRIBUTIONS PRIOR TO THE GRANTOR’S DEATH.** Principal and accumulated income shall not be distributed from the trust prior to the grantor’s retirement or other termination of employment with AbbVie or a subsidiary of AbbVie (the grantor’s “settlement date”); provided that, each year the administrator may direct the trustee to distribute to the grantor a portion of the income of the trust fund for that year, with the balance of such income to be accumulated in the trust. The administrator shall inform the trustee of the grantor’s settlement date. Thereafter, the trustee shall distribute the amounts from time to time credited to the supplemental pension account

to the grantor, if then living, in the same manner, at the same time and over the same period as the pension payable to the grantor under AbbVie Pension Plan.

3. **DISTRIBUTIONS AFTER THE GRANTOR'S DEATH.** The grantor, from time to time may name any person or persons (who may be named contingently or successively and who may be natural persons or fiduciaries) to whom the principal of the trust fund and all accrued or undistributed income thereof shall be distributed upon the grantor's death. The grantor may direct that such amounts be distributed in a lump sum or, if the beneficiary is the grantor's spouse (or a trust (a "Trust") for which the grantor's spouse is the sole income beneficiary), in the same manner, at the same time and over the same period as the pension payable to the grantor's surviving spouse under the AbbVie Pension Plan. If the grantor directs the same method of distribution as the pension payable to the surviving spouse under the AbbVie Pension Plan to the spouse as beneficiary, any amounts remaining at the death of the spouse beneficiary shall be distributed in a lump sum to the executor or administrator of the spouse beneficiary's estate. If the grantor directs the same method of distribution as the pension payable to the surviving spouse under the AbbVie Pension Plan to a Trust for which the grantor's spouse is the sole income beneficiary, any amounts remaining at the death of the spouse shall be distributed in a lump sum to such Trust. Despite the foregoing, if (i) the beneficiary is a Trust for which the grantor's spouse is the sole income beneficiary, (ii) payments are being made pursuant to this paragraph II-3 other than in a lump sum and (iii) income earned by the trust fund for the year exceeds the amount of the annual installment payment, then such Trust may elect to withdraw such excess income by written notice to the trustee. Each designation shall revoke all prior designations, shall be in writing and shall be effective only when filed by the grantor with the administrator during the grantor's lifetime. If the grantor fails to direct a method of distribution, the distribution shall be made in a lump sum. If the grantor fails to designate a beneficiary as provided above, then on the grantor's death, the trustee shall distribute the balance of the trust fund in a lump sum to the executor or administrator of the grantor's estate."
4. **FACILITY OF PAYMENT.** When a person entitled to a distribution hereunder is under legal disability, or, in the trustee's opinion, is in any way incapacitated so as to be unable to manage his or her financial affairs, the trustee may make such distribution to such person's legal representative, or to a relative or friend of such person for such person's benefit. Any distribution made in accordance with the preceding sentence shall be a full and complete discharge of any liability for such distribution hereunder.
5. **PERPETUITIES.** Notwithstanding any other provisions of this agreement, on the day next preceding the end of 21 years after the death of the last to die of the grantor and the grantor's descendants living on the date of this instrument, the trustee shall immediately distribute any remaining balance in the trust to the beneficiaries then entitled to distributions hereunder.

MANAGEMENT OF THE TRUST FUND

1. **GENERAL POWERS.** The trustee shall, with respect to the trust fund, have the following powers, rights and duties in addition to those provided elsewhere in this agreement or by law:
 - a. Subject to the limitations of subparagraph (b) next below, to sell, contract to sell, purchase, grant or exercise options to purchase, and otherwise deal with all assets of the trust fund, in such way, for such considerations, and on such terms and conditions as the trustee decides.
 - b. To invest and reinvest the trust fund, without distinction between principal and income, in obligations of the United States Government and its agencies or which are backed by the full faith and credit of the United States Government and in any mutual funds, common

trust funds or collective investment funds which invest solely in such obligations, provided that to the extent practicable no more than Ten Thousand Dollars (\$10,000) shall be invested in such mutual funds, common trust funds or collective investment funds at any time; and any such investment made or retained by the trustee in good faith shall be proper despite any resulting risk or lack of diversification or marketability.

- c. To deposit cash in any depository (including the banking department of the bank acting as trustee) without liability for interest, in amounts not in excess of those reasonably necessary to make distributions from the trust.
- d. To borrow from anyone, with the administrator's approval, such sum or sums from time to time as the trustee considers desirable to carry out this trust, and to mortgage or pledge all or part of the trust fund as security.
- e. To retain any funds or property subject to any dispute without liability for interest and to decline to make payment or delivery thereof until final adjudication by a court of competent jurisdiction or until an appropriate release is obtained.
- f. To begin, maintain or defend any litigation necessary in connection with the administration of this trust, except that the trustee shall not be obliged or required to do so unless indemnified to the trustee's satisfaction.
- g. To compromise, contest, settle or abandon claims or demands.
- h. To give proxies to vote stocks and other voting securities, to join in or oppose (alone or jointly with others) voting trusts, mergers, consolidations, foreclosures, reorganizations, liquidations, or other changes in the financial structure of any corporation, and to exercise or sell stock subscription or conversion rights.
- i. To hold securities or other property in the name of a nominee, in a depository, or in any other way, with or without disclosing the trust relationship.
- j. To divide or distribute the trust fund in undivided interests or wholly or partly in kind.
- k. To pay any tax imposed on or with respect to the trust; to defer making payment of any such tax if it is indemnified to its satisfaction in the premises; and to require before making any payment such release or other document from any lawful taxing authority and such indemnity from the intended payee as the trustee considers necessary for its protection.
- l. To deal without restriction with the legal representative of the grantor's estate or the trustee or other legal representative of any trust created by the grantor or a trust or estate in which a beneficiary has an interest, even though the trustee, individually, shall be acting in such other capacity, without liability for any loss that may result.
- m. Upon the prior written consent of the administrator, to appoint or remove by written instrument any bank or corporation qualified to act as successor trustee, wherever located, as special trustee as to part or all of the trust fund, including property as to which the trustee does not act, and such special trustee, except as specifically limited or provided by this or the appointing instrument, shall have all of the rights, titles, powers, duties, discretions and immunities of the trustee, without liability for any action taken or omitted to be taken under this or the appointing instrument.

- n. To appoint or remove by written instrument any bank, wherever located, as custodian of part or all of the trust fund, and each such custodian shall have such rights, powers, duties and discretions as are delegated to it by the trustee.
 - o. To employ agents, attorneys, accountants or other persons, and to delegate to them such powers as the trustee considers desirable, and the trustee shall be protected in acting or refraining from acting on the advice of persons so employed without court action.
 - p. To perform any and all other acts which in the trustee's judgment are appropriate for the proper management, investment and distribution of the trust fund.
2. **PRINCIPAL AND INCOME.** Any income earned on the trust fund which is not distributed as provided in Article II shall be accumulated and from time to time added to the principal of the trust. The grantor's interest in the trust shall include all assets or other property held by the trustee hereunder, including principal and accumulated income.
 3. **STATEMENTS.** The trustee shall prepare and deliver monthly to the administrator and annually to the grantor, if then living, otherwise to each beneficiary then entitled to distributions under this agreement, a statement (or series of statements) setting forth (or which taken together set forth) all investments, receipts, disbursements and other transactions effected by the trustee during the reporting period; and showing the trust fund and the value thereof at the end of such period.
 4. **COMPENSATION AND EXPENSES.** All reasonable costs, charges and expenses incurred in the administration of this trust, including compensation to the trustee, any compensation to agents, attorneys, accountants and other persons employed by the trustee, and expenses incurred in connection with the sale, investment and reinvestment of the trust fund shall be paid from the trust fund.

GENERAL PROVISIONS

1. **INTERESTS NOT TRANSFERABLE.** The interests of the grantor or other persons entitled to distributions hereunder are not subject to their debts or other obligations and may not be voluntarily or involuntarily sold, transferred, alienated, assigned or encumbered.
2. **DISAGREEMENTS AS TO ACTS.** If there is a disagreement between the trustee and anyone as to any act or transaction reported in any accounting, the trustee shall have the right to a settlement of its account by any court.
3. **TRUSTEE'S OBLIGATIONS.** No power, duty or responsibility is imposed on the trustee except as set forth in this agreement. The trustee is not obliged to determine whether funds delivered to or distributions from the trust are proper under the trust, or whether any tax is due or payable as a result of any such delivery or distribution. The trustee shall be protected in making any distribution from the trust as directed pursuant to Article II without inquiring as to whether the distributee is entitled thereto; the trustee shall not be liable for any distribution made in good faith without written notice or knowledge that the distribution is not proper under the terms of this agreement; and the trustee shall not be liable for any action taken because of the specific direction of the administrator.
4. **GOOD FAITH ACTIONS.** The trustee's exercise or non-exercise of its powers and discretions in good faith shall be conclusive on all persons. No one shall be obliged to see to the application of any money paid or property delivered to the trustee. The certificate of the trustee that it is acting according to this agreement will fully protect all persons dealing with the trustee.

5. WAIVER OF NOTICE. Any notice required under this agreement may be waived by the person entitled to such notice.
6. CONTROLLING LAW. The laws of the State of Illinois shall govern the interpretation and validity of the provisions of this agreement and all questions relating to the management, administration, investment and distribution of the trust hereby created.
7. SUCCESSORS. This agreement shall be binding on all persons entitled to distributions hereunder and their respective heirs and legal representatives, and on the trustee and its successors.

CHANGES IN TRUSTEE

1. RESIGNATION OR REMOVAL OF TRUSTEE. The trustee may resign at any time by giving thirty days' advance notice to the administrator and the grantor. The administrator may remove a trustee by written notice to the trustee and the grantor.
2. APPOINTMENT OF SUCCESSOR TRUSTEE. The administrator shall fill any vacancy in the office of trustee as soon as practicable by written notice to the successor trustee; and shall give prompt written notice thereof to the grantor, if then living, otherwise to each beneficiary then entitled to payments or distributions under this agreement. A successor trustee shall be a bank (as defined in Section 581 of the Internal Revenue Code, as amended).
3. DUTIES OF RESIGNING OR REMOVED TRUSTEE AND OF SUCCESSOR TRUSTEE. A trustee that resigns or is removed shall furnish promptly to the administrator and the successor trustee an account of its administration of the trust from the date of its last account. Each successor trustee shall succeed to the title to the trust fund vested in its predecessor without the signing or filing of any instrument, but each predecessor trustee shall execute all documents and do all acts necessary to vest such title of record in the successor trustee. Each successor trustee shall have all the powers conferred by this agreement as if originally named trustee. No successor trustee shall be personally liable for any act or failure to act of a predecessor trustee. With the approval of the administrator, a successor trustee may accept the account furnished and the property delivered by a predecessor trustee without incurring any liability for so doing, and such acceptance will be complete discharge to the predecessor trustee.

AMENDMENT AND TERMINATION

1. AMENDMENT. With the consent of the administrator, this trust may be amended from time to time by the grantor, if then living, otherwise by a majority of the beneficiaries then entitled to payments or distributions hereunder, except as follows:
 - a. The duties and liabilities of the trustee cannot be changed substantially without its consent.
 - b. This trust may not be amended so as to make the trust revocable.
2. TERMINATION. This trust shall not terminate, and all rights, titles, powers, duties, discretions and immunities imposed on or reserved to the trustee, the administrator, the grantor and the beneficiaries shall continue in effect, until all assets of the trust have been distributed by the trustee as provided in Article II.

* * *

IN WITNESS WHEREOF, the grantor and the trustee have executed this agreement as of the day and year first above written.

Grantor

The Northern Trust Company, as Trustee

By

Its

ABBVIE SUPPLEMENTAL SAVINGS PLAN

(Amended and Restated Effective as of January 1, 2022)

**ABBVIE
SUPPLEMENTAL SAVINGS PLAN**

**SECTION 1
INTRODUCTION**

1-1. **PURPOSE AND EFFECTIVE DATE.** This AbbVie Supplemental Savings Plan (the “Plan”) was established by AbbVie Inc. (“AbbVie”), effective as of January 1, 2013 (the “Effective Date”), to provide eligible management employees of AbbVie an opportunity to accumulate capital for their retirement or other termination of employment in excess of the contributions allowed under the AbbVie Savings Plan (the “Savings Plan”). The Plan is hereby amended and restated effective as of January 1, 2022.

1-2. **ERISA.** The Plan is intended to be exempt from Parts 2, 3, and 4 of Title I of ERISA and, therefore, participation in the Plan is limited to a select group of management and highly compensated employees, within the meaning of ERISA Sections 201(2), 301(a)(3) and 401(a)(1).

1-3. **ADMINISTRATION.** The Plan shall be administered by the Compensation Committee (the “Committee”) appointed by the Board of Directors of AbbVie (the “Board of Directors”).

1-4. **TRANSFER OF LIABILITIES FROM ABBOTT LABORATORIES PLAN.** As part of the Separation and Distribution Agreement by and between Abbott Laboratories and AbbVie Inc. dated as of November 28, 2012, Abbott and AbbVie entered into the Employee Matters Agreement dated as of December 31, 2012 (the “EMA”). In accordance with the EMA, all liabilities for AbbVie Employees (as defined in the EMA) under the Abbott Laboratories 401(k) Supplemental Plan were transferred to the Plan and the Plan became liable to pay all such benefits to such participants. Supplement A to the Plan sets forth the additional rules applicable to the transferred benefits and transferred participants.

**SECTION 2
ELIGIBILITY AND PARTICIPATION**

2-1. **PERSONS ELIGIBLE TO PARTICIPATE.** Participation in the Plan shall be limited to employees who are serving as corporate officers of AbbVie as of the Effective Date or who become corporate officers thereafter; provided, however, that no new participants may commence participation in the Plan on or after January 1, 2015 except an employee who was a participant in the AbbVie Pension Plan as of January 1, 2013 and was designated as an executive officer of AbbVie on or before January 1, 2018. The term “corporate officer” for purposes of the Plan shall mean an individual elected as an officer of AbbVie by its Board of Directors (or designated as such for purposes of the Plan by the Committee), but shall not include assistant secretaries, assistant treasurers, or other assistant officers. In the event an employee ceases to be a corporate officer of AbbVie due to demotion or otherwise while remaining in the employ of AbbVie, (a) such employee’s elective deferral in effect for such year shall remain irrevocable, (b) AbbVie’s matching contributions under Section 4 shall immediately cease, and (c) such employee shall no longer be eligible to participate in the Plan as of the end of such calendar year. In the event an employee ceases to be a corporate officer of AbbVie due to termination of employment, such employee shall cease to be eligible to participate in the Plan and any contributions then being made on behalf of such employee shall immediately cease.

2-2. **PARTICIPANT.** An eligible employee may elect to participate in the Plan by electing to have contributions made on the employee’s behalf as provided in Section 5.

SECTION 3

EMPLOYEE CONTRIBUTIONS

3-1. ALLOWABLE CONTRIBUTIONS. An eligible employee may elect to have his employer make “pre-tax contributions” on his behalf in an amount not greater than 18% in total of his compensation in any calendar year for services rendered to his employer. A pre-tax contribution made by an employer on behalf of a participant shall reduce the participant’s compensation at the time of payment of such compensation. Each election hereunder shall be in writing, and shall be in multiples of 1% of compensation.

3-2. COMPENSATION. A participant’s “compensation” shall have the same meaning as set forth in Article 15 of the Savings Plan.

3-3. MAXIMUM EMPLOYEE CONTRIBUTIONS. Notwithstanding subsection 3-1, in no event shall the sum of:

- a. the participant’s total contributions, pre-tax contributions, supplemental deposits and supplemental pre-tax contributions made under the Savings Plan; plus
- b. the participant’s total pre-tax contributions made under the Plan;

for any calendar year, exceed 18% of the employee’s compensation for such year. In the event the limitation described in this subsection 3-3 would be exceeded for any participant, the participant’s pre-tax contributions made under this Plan shall be reduced until the limit is not exceeded.

3-4. CHANGE IN SAVINGS PLAN. Notwithstanding anything to the contrary contained in subsections 3-1 and 3-3 above, no action or inaction by an employee under the Savings Plan may result in a change in amounts contributed to the Plan in excess of the limit with respect to elective deferrals under Code Section 402(g)(1)(A), (B) and (C) in effect for the year in which the action or inaction occurs.

SECTION 4 EMPLOYER CONTRIBUTIONS

For the calendar year ending December 31, 2013, and for each subsequent calendar year, AbbVie shall make a contribution on behalf of each Plan participant who makes pre-tax contributions (“basic contributions”) under the Plan during such year at the rate of two percent (2%) of compensation in excess of the limit in effect for such year under Code Section 401(a)(17). Such employer contribution shall be in an amount equal to the contribution the participant would have received under the Savings Plan with respect to such basic contributions had such basic contributions been made under the Savings Plan.

SECTION 5 ELECTIONS

5-1. ANNUAL ELECTIONS REQUIRED. Except as provided in subsection 5-2 or Supplement A, a participant shall elect to make pre-tax contributions with respect to compensation earned in any calendar year on or before December 31 of the prior calendar year. Each such election shall be in writing, shall be filed with the Committee, shall be effective only for the calendar year for which made and shall be irrevocable. An employee who fails to make a timely election under this subsection 5-1 for a calendar year may not contribute to the Plan during the following year.

5-2. NEWLY ELIGIBLE AND NEWLY HIRED EMPLOYEES. A newly eligible or newly hired corporate officer described in subsection 2-1 shall become eligible to participate in the Plan on the first day of the month next following the month after the individual’s date of eligibility or hire, as

applicable; provided that in no event may such individual begin to participate in the Plan later than 90 days following his or her date of hire. An eligible employee described in the preceding sentence (who was not eligible to participate in any other plan that would be aggregated with the Plan under Treasury Regulation §1.409A-1(c)) shall make the election described in subsection 5-1 within thirty (30) days of the date on which he or she first becomes eligible under the Plan. Any such election shall become effective for compensation earned no earlier than the first payroll period commencing after receipt of the election by the Committee and shall be irrevocable for the remainder of the calendar year. Any other newly eligible or newly hired employee shall make the election described in subsection 5-1 no later than December 31 of the year in which such employee first becomes eligible under the Plan. Any such election shall become effective for compensation earned in the calendar year following the year in which the election is made.

5-3. GRANTOR TRUST ELECTION. At the time of the annual elections described in subsection 5-1, each participant may elect to have his or her pre-tax and employer contributions for the following year deposited in a "Grantor Trust" established by the participant under the circumstances and on the terms described in subsection 6-1, rather than defer such contributions under subsection 5-1. Any such election shall be irrevocable and shall apply to all pre-tax contributions made during, and employer contributions made for, such calendar year on behalf of such participant. If the participant fails to make an election under this subsection 5-3, the participant's pre-tax contributions made during, and employer contribution made for, such calendar year shall be handled by AbbVie as described in subsection 6-2 and shall not be deposited in a Grantor Trust in the future. In no event shall such contributions be paid to the Grantor Trust later than the last day of the "applicable 2½ month period," as such term is defined in Treasury Regulation § 1.409A-1(b)(4)(i)(A).

SECTION 6 FUNDING EMPLOYER AND EMPLOYEE CONTRIBUTIONS

6-1. CONTRIBUTIONS TO BE DEPOSITED IN GRANTOR TRUSTS. Each participant's pre-tax contributions and employer contributions for which the participant has filed an election under subsection 5-3 shall be deposited in a "Grantor Trust" established by the participant, as described in subsection 6-3, provided such trust is in a form which the Committee determines is substantially similar to the trust attached to this Plan as Exhibit A.

6-2. CONTRIBUTIONS TO BE RETAINED BY ABBVIE. Each participant's pre-tax contributions and employer contributions for which the participant has not filed an election under subsection 5-3 shall be retained by AbbVie and credited to a Deferred Account established under subsection 7-1.

6-3. AFTER ESTABLISHMENT OF GRANTOR TRUST. After a Grantor Trust has been established by a participant under subsection 6-1, all pre-tax contributions and employer contributions made thereafter for which the participant has filed an election under subsection 5-3 shall be deposited in such Grantor Trust (less the aggregate federal, state and local individual income and employment taxes withheld on behalf of the participant (determined under subsection 8-5) attributable to such contributions). Such deposits shall be made as soon as practicable after the last complete payroll period of the calendar quarter in which the contributions are made. In no event shall such contributions be paid to the Grantor Trust or the participant later than the last day of the "applicable 2½ month period," as such term is defined in Treasury Regulation § 1.409A-1(b)(4)(i)(A).

SECTION 7
ACCOUNTING

7-1. SEPARATE ACCOUNTS. The Committee shall establish bookkeeping accounts for participants who have made elections pursuant to subsection 5-1 or 5-3 as follows:

- a. The Committee shall maintain a "Deferred Account" in the name of each participant who has elected to defer payment of all or a portion of his or her pre-tax contributions under subsection 5-1. The Deferred Account shall be comprised of any pre-tax contributions made on behalf of the participant under subsection 3-1 and any other allocations made on behalf of the participant under Section 4, in each case for which the participant has not made an election under subsection 5-3, and any adjustments made pursuant to subsection 7-2.
- b. The Committee shall maintain two separate Accounts, a "Pre-Tax Account" and an "After-Tax Account," in the name of each participant who has declined to defer allocations by electing to have a portion of his or her pre-tax and employer contributions deposited in cash to a Grantor Trust according to subsection 5-3. The Pre-Tax Account shall consist of the aggregate of all pre-tax contributions contemplated by subsection 3-1, whether deposited to the participant's Grantor Trust or paid in cash to, or withheld on behalf of, the participant, and any adjustments in accordance with subsection 7-3. The After-Tax Account shall consist of employer contributions deposited to the participant's Grantor Trust in cash according to subsection 5-3 and any adjustments made in accordance with subsection 7-4.

7-2. ADJUSTMENT OF DEFERRED ACCOUNTS. No later than as of the end of each calendar year, each participant's Deferred Account shall be adjusted by the Committee as follows:

- a. FIRST, reduced by an amount equal to any distribution made to the participant during that year pursuant to subsection 7-11 or 7-12;
- b. NEXT, increased by an amount equal to any pre-tax contributions and employer contributions made on behalf of such participant for that year for which the participant has not made an election under subsection 5-3; and
- c. FINALLY, increased by an amount equal to the Interest earned for that year pursuant to subsection 7-5.

7-3. ADJUSTMENT OF PRE-TAX ACCOUNTS. No later than as of the end of each calendar year, each participant's Pre-Tax Account shall be adjusted by the Committee as follows:

- a. FIRST, reduced, in any year in which the participant is entitled to receive a distribution from his or her Grantor Trust, by an amount equal to the distribution that would have been made to the participant if the aggregate amounts allocated according to subsection 5-3 had instead been deferred under subsection 5-1;
- b. NEXT, increased by an amount equal to any pre-tax contributions and employer contributions made on behalf of the participant for that year that are paid to, or withheld on behalf of, the participant (including any contributions paid to the participant's Grantor Trust) according to subsection 5-3; and

- c. FINALLY, increased by an amount equal to the Interest earned for that year pursuant to subsection 7-5.

7-4. ADJUSTMENT OF AFTER-TAX ACCOUNTS. No later than as of the end of each calendar year, each participant's After-Tax Account shall be adjusted by the Committee as follows:

- a. FIRST, reduced, in any year in which the participant is in receipt of a benefit distribution from his or her Grantor Trust, by an amount calculated as provided by subsection 7-16 which represents the distribution for such year;
- b. NEXT, increased by an amount equal to any pre-tax contributions and employer contributions made on behalf of the participant for that year that are deposited in the participant's Grantor Trust according to subsection 5-3; and
- c. FINALLY, increased by an amount equal to the After-Tax Interest earned for that year pursuant to subsection 7-5.

7-5. INTEREST ACCRUALS ON ACCOUNTS.

- a. No later than as of the end of each calendar year, a participant's Deferred Account or Pre-Tax Account, as applicable, shall be credited with interest ("Interest") at the following rate:
- i. the average of the "prime rate" of interest set forth on the Bloomberg Screen BTMM or comparable successor quotation service on the first business day of January and the last business day of each month of the calendar year; plus
 - ii. two hundred twenty-five (225) basis points.
- b. No later than as of the end of each calendar year, a participant's After-Tax Account shall be credited with the amount of Interest set forth above, multiplied by (one minus the aggregate of the applicable federal, state and local individual income tax rates and employment tax rate, determined in accordance with subsections 8-4 and 8-5) (the "After-Tax Interest").
- c. The Interest and After-Tax Interest, as applicable, shall be credited on the conditions established by the Committee.

7-6. INTEREST PAYMENTS. In addition to any employer contribution made on behalf of a participant for any calendar year pursuant to Section 4, AbbVie shall also make a payment (an "Interest Payment") with respect to each participant who has established a Grantor Trust for each year in which the Grantor Trust is in effect. The Interest Payment shall equal the excess, if any, of the participant's adjustment in subsection 7-3(c) over the net earnings of the participant's Grantor Trust for the year, as adjusted by the amounts described in Schedule A, if applicable, and shall be paid within the thirty (30)-day period beginning April 1 of the following fiscal year. A portion of such Interest Payment, equal to the excess, if any, of the Net Interest Accrual over the net earnings of the participant's Grantor Trust, shall be deposited in the participant's Grantor Trust, with the balance paid to, or withheld on behalf of, the participant; provided, however, in the event that the net earnings of the participant's Grantor Trust exceed the Net Interest Accrual, a distribution from the Grantor Trust shall be required in accordance with subsection 8-11. A participant's Net Interest Accrual for a year is an amount equal to the After-Tax Interest credited to the participant's After-Tax Account for that year in accordance with subsection 7-5.

7-7. GRANTOR TRUST ASSETS. Each participant's Grantor Trust assets shall be invested solely in the instruments specified by investment guidelines established by the Committee. Such investment guidelines, once established, may be changed by the Committee, provided that any change

shall not take effect until the year following the year in which the change is made and provided further that the instruments specified shall be consistent with the provisions of Section 3(b) of the form of Grantor Trust attached hereto as Exhibit A.

7-8. DESIGNATION OF BENEFICIARIES. Subject to the conditions and limitations set forth below, each participant, and after a participant's death, each primary beneficiary designated by a participant in accordance with the provisions of this subsection 7-8, shall have the right from time to time to designate a primary beneficiary or beneficiaries and successive or contingent beneficiary or beneficiaries to receive unpaid amounts from the participant's Deferred Account under the Plan. Beneficiaries may be a natural person or persons or a fiduciary, such as a trustee of a trust or the legal representative of an estate. Any such designation shall take effect upon the death of the participant or such beneficiary, as the case may be, or in the case of any fiduciary beneficiary, upon the termination of all of its duties (other than the duty to dispose of the right to receive amounts remaining to be paid under the Plan). The conditions and limitations relating to the designation of beneficiaries are as follows:

- a. A nonfiduciary beneficiary shall have the right to designate a further beneficiary or beneficiaries only if the original participant or the next preceding primary beneficiary, as the case may be, shall have expressly so provided in writing; and
- b. A fiduciary beneficiary shall designate as a further beneficiary or beneficiaries only those persons or other fiduciaries who are entitled to receive the amounts payable from the participant's account under the trust or estate of which it is a fiduciary.

Any beneficiary designation or grant of any power to any beneficiary under this subsection may be exercised only by an instrument in writing, executed by the person making the designation or granting such power and filed with the Secretary of AbbVie during such person's lifetime or prior to the termination of a fiduciary's duties. If a deceased participant or a deceased nonfiduciary beneficiary who had the right to designate a beneficiary as provided above dies without having designated a further beneficiary, or if no beneficiary designated as provided above is living or qualified and acting, the Committee, in its discretion, may direct distribution of the amount remaining from time to time to either:

- a. any one or more or all of the next of kin (including the surviving spouse) of the participant or the deceased beneficiary, as the case may be, and in such proportions as the Committee determines; or
- b. the legal representative of the estate of the deceased participant or deceased beneficiary as the case may be.

7-9. NON-ASSIGNABILITY AND FACILITY OF PAYMENT. Amounts payable to participants and their beneficiaries under the Plan are not in any way subject to their debts and other obligations, and may not be voluntarily or involuntarily sold, transferred or assigned; provided that the preceding provisions of this section shall not be construed as restricting in any way a designation right granted to a beneficiary pursuant to the terms of subsection 7-8. When a participant or the beneficiary of a participant is under legal disability, or in the Committee's opinion is in any way incapacitated so as to be unable to manage his or her financial affairs, the Committee may direct that payments shall be made to the participant's or beneficiary's legal representative, or to a relative or friend of the participant or beneficiary for the benefit of the participant or beneficiary, or the Committee may direct the payment or distribution for the benefit of the participant or beneficiary in any manner that the Committee determines.

7-10. PAYER OF AMOUNTS ALLOCATED TO PARTICIPANTS. Any employer contribution made on behalf of a participant in the Plan and any interest credited with respect thereto will be paid by the employer (or such employer's successor) by whom the participant was employed during the calendar year for which any amount was contributed, and for that purpose, if a participant shall have been

employed by two or more employers during any calendar year the amount allocated under this Plan for that year shall be an obligation of each of the respective employers in proportion to the respective amounts of compensation paid by each of them in that calendar year.

7-11. MANNER OF PAYMENT OF DEFERRED ACCOUNTS. Subject to subsection 7-12, a participant shall elect to receive payment of his or her Deferred Account in substantially equal annual installments over a minimum period of ten years, or a longer period, at the time of his or her election for such calendar year under subsection 5-1. Payment of a participant's Deferred Account shall commence on the first business day of January of the year following the year in which the participant incurs a termination of employment.

7-12. PAYMENT UPON TERMINATION FOLLOWING CHANGE IN CONTROL. Notwithstanding any other provision of the Plan, if a participant incurs a termination of employment with AbbVie and its subsidiaries for any reason within two (2) years following the date of a Change in Control, provided that the event constituting a Change in Control is also a "change in control event," as such term is defined in Treasury Regulation § 1.409A-3(i)(5): (a) with respect to a participant whose contributions under the Plan are deferred in accordance with subsection 5-1, the aggregate unpaid balance of the participant's Deferred Account shall be paid to such participant in a lump sum within thirty (30) days following the date of such termination of employment, and (b) with respect to a participant whose contributions under the Plan are made pursuant to subsection 5-5, (i) the aggregate of the participant's unpaid contributions under subsection 5-5 (if any) for the fiscal year in which the termination occurs and (ii) a pro rata portion of the unpaid Interest Payment under subsection 7-6 attributable to the portion of the year elapsed prior to the date of termination, shall be paid to such participant's Grantor Trust in a lump sum within thirty (30) days following the date of such termination of employment.

7-13. CHANGE IN CONTROL. A "Change in Control" shall be deemed to have occurred on the earliest of the following dates:

- a. the date any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of AbbVie (not including in the securities beneficially owned by such Person any securities acquired directly from AbbVie or its Affiliates) representing 20% or more of the combined voting power of AbbVie's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (c) below; or
- b. the date the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of AbbVie) whose appointment or election by the Board of Directors or nomination for election by AbbVie's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or
- c. the date on which there is consummated a merger or consolidation of AbbVie or any direct or indirect subsidiary of AbbVie with any other corporation or other entity, other than (i) a merger or consolidation (A) immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors of AbbVie, the entity surviving such merger or consolidation or, if AbbVie or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof and (B) which results in the voting securities of AbbVie outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting

securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of AbbVie or any subsidiary of AbbVie, at least 50% of the combined voting power of the securities of AbbVie or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of AbbVie (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of AbbVie (not including in the securities Beneficially Owned by such Person any securities acquired directly from AbbVie or its Affiliates) representing 20% or more of the combined voting power of AbbVie's then outstanding securities; or

- d. the date the shareholders of AbbVie approve a plan of complete liquidation or dissolution of AbbVie or there is consummated an agreement for the sale or disposition by AbbVie of all or substantially all of AbbVie's assets, other than a sale or disposition by AbbVie of all or substantially all of AbbVie's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of AbbVie in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of AbbVie or any subsidiary of AbbVie, in substantially the same proportions as their ownership of AbbVie immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of AbbVie immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of AbbVie immediately following such transaction or series of transactions.

For purposes of this Plan: "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act; "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act; "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time; and "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) AbbVie or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of AbbVie or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of AbbVie in substantially the same proportions as their ownership of stock of AbbVie.

7-14. POTENTIAL CHANGE IN CONTROL. A "Potential Change in Control" shall exist during any period in which the circumstances described in paragraph (a), (b), (c) or (d), below, exist (provided, however, that a Potential Change in Control shall cease to exist not later than the occurrence of a Change in Control):

- a. AbbVie enters into an agreement, the consummation of which would result in the occurrence of a Change in Control, provided that a Potential Change in Control described in this paragraph (a) shall cease to exist upon the expiration or other termination of all such agreements.
- b. Any Person (without regard to the exclusions set forth in subsections (i) through (iv) of such definition) publicly announces an intention to take or to consider taking actions the consummation of which would constitute a Change in Control; provided that a Potential Change in Control described in this paragraph (b) shall cease to exist upon the withdrawal of such intention, or upon a determination by the Board of Directors that there is no reasonable chance that such actions would be consummated.

- c. Any Person becomes the Beneficial Owner, directly or indirectly, of securities of AbbVie representing 10% or more of either the then outstanding shares of common stock of AbbVie or the combined voting power of AbbVie's then outstanding securities (not including any securities beneficially owned by such Person which are or were acquired directly from AbbVie or its Affiliates).
- d. The Board of Directors adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control exists; provided that a Potential Change in Control described in this paragraph (d) shall cease to exist upon a determination by the Board of Directors that the reasons that gave rise to the resolution providing for the existence of a Potential Change in Control have expired or no longer exist.

7-15. PROHIBITION AGAINST AMENDMENT. The provisions of subsections 7-12, 7-13, 7-14 and this subsection 7-15 may not be amended or deleted, or superseded by any other provision of this Plan, (a) during the pendency of a Potential Change in Control or (b) during the period beginning on the date of a Change in Control and ending on the date five (5) years following such Change in Control.

7-16. ADMINISTRATOR'S CALCULATION OF GRANTOR TRUST DISTRIBUTIONS. The Administrator shall calculate the amount to be distributed from a participant's Grantor Trust in any year in which the participant is entitled to a benefit distribution by multiplying (a) the amount of the reduction determined in accordance with subsection 7-3(a), by (b) a fraction, the numerator of which is the balance in the participant's After-Tax Account as of the end of the prior calendar year and the denominator of which is the balance of the participant's Pre-Tax Account as of that same date.

SECTION 8 MISCELLANEOUS

8-1. RULES. The Committee may establish such rules and regulations as it may consider necessary or desirable for the effective and efficient administration of the Plan.

8-2. TAXES. Any employer shall be entitled, if necessary or desirable, to pay, or withhold the amount of any federal, state or local tax attributable to any amounts payable by it under the Plan and may require payment from the participant in an amount necessary to satisfy such taxes prior to remitting such taxes.

8-3. RIGHTS OF PARTICIPANTS. Employment rights of participants with AbbVie and its subsidiaries shall not be enlarged or affected by reason of establishment of or inclusion as a participant in the Plan. Nothing contained in the Plan shall require AbbVie or any subsidiary to segregate or earmark any assets, funds or property for the purpose of payment of any amounts which may have been deferred. The Deferred, Pre-Tax and After-Tax Accounts established pursuant to subsection 7-1 are for the convenience of the administration of the Plan and no trust relationship with respect to such Accounts is intended or should be implied. Participant's rights shall be limited to payment to them at the time or times and in such amounts as are contemplated by the Plan. Any decision made by the Committee which is within its sole and uncontrolled discretion shall be conclusive and binding upon all persons whomsoever.

8-4. EMPLOYMENT TAX ASSUMPTIONS. For purposes of Sections 7 and 8, a participant's employment tax rate shall be deemed to be the highest marginal rate of Federal Insurance Contributions Act tax in effect in the calendar year in which a calculation under those Sections is to be made.

8-5. INCOME TAX ASSUMPTIONS. For purposes of Sections 7 and 8, a participant's federal income tax rate shall be deemed to be the highest marginal rate of federal individual income tax in effect in the calendar year in which a calculation under those Sections is to be made, and state and local tax rates shall be deemed to be the highest marginal rates of individual income tax in effect in the state and locality

of the participant's residence on the date such a calculation is made, net of any federal tax benefits without a benefit for any net capital losses.

8-6. GENDER. For purposes of the Plan, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural and the plural shall include the singular.

8-7. MANNER OF ACTION BY COMMITTEE. A majority of the members of the Committee qualified to act on any particular question may act by meeting or by writing signed without meeting, and may execute any instrument or document required or delegate to one of its members authority to sign. The Committee from time to time may delegate the performance of certain ministerial functions in connection with the Plan, such as the keeping of records, to such person or persons as the Committee may select. Except as otherwise expressly provided in the Plan, the costs of administration of the Plan will be paid by AbbVie. Any notice required to be given to, or any document required to be filed with the Committee, will be properly given or filed if mailed or delivered in writing to the Secretary of AbbVie.

8-8. RELIANCE UPON ADVICE. The Board of Directors and the Committee may rely upon any information or advice furnished to it by any Officer of AbbVie or by AbbVie's independent auditors, or other consultants, and shall be fully protected in relying upon such information or advice. No member of the Board of Directors or the Committee shall be liable for any act or failure to act on their part, excepting only any acts done or omitted to be done in bad faith, nor shall they be liable for any act or failure to act of any other member.

8-9. CHANGE OF CONDITIONS RELATING TO PAYMENTS. No change to the time of payment or the time of commencement of payment and any period over which payment shall be made shall be effected except in strict compliance with the subsequent election requirements of Treasury Regulation § 1.409A-2(b), to the extent subject thereto.

8-10. CODE SECTION 409A. To the extent applicable, it is intended that the Plan comply with the provisions of Code Section 409A. The Plan will be administered and interpreted in a manner consistent with this intent, and any provision that would cause the Plan to fail to satisfy Code Section 409A will have no force and effect until amended to comply therewith (which amendment may be retroactive to the extent permitted by Code Section 409A). Notwithstanding anything contained herein to the contrary, for all purposes of the Plan, a participant shall not be deemed to have had a termination of employment until the participant has incurred a separation from service as defined in Treasury Regulation § 1.409A-1(h) and, to the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, payment of the amounts payable under the Plan that would otherwise be payable during the six-month period after the date of termination shall instead be paid on the first business day after the expiration of such six-month period, plus interest thereon, at a rate equal to the rate of Interest provided in subsection 7-5(a) (to the extent that such interest is not already provided to the participant under subsection 7-6), from the respective dates on which such amounts would otherwise have been paid until the actual date of payment. In addition, for purposes of the Plan, each amount to be paid and each installment payment shall be construed as a separate identified payment for purposes of Code Section 409A.

8-11. DOMESTIC RELATIONS ORDER. In accordance with Treasury Regulation 1.409A-3(j)(4)(ii), distributions shall be made to an individual (other than to the participant) pursuant to the terms of a "domestic relations order" (as defined in Code Section 414(p)(1)(B)), as determined and administered by the AbbVie Senior Vice President, Human Resources (or the individual holding equivalent duties and responsibilities) or his or her delegate, provided that such order (a) does not require the Plan to provide any type or form of benefit or any option not otherwise provided under the Plan, (b) does not require the Plan to provide increased benefits, and (c) does not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order.

8-12. GRANTOR TRUSTS. AbbVie, as the administrator of the participant's Grantor Trust, may direct the trustee to distribute to such participant from the income of such Grantor Trust an amount sufficient to pay the taxes on the Grantor Trust earnings for such year, to the extent a sufficient sum of money has not been paid to, or withheld on behalf of, the participant pursuant to subsection 7-6. The taxes shall be determined in accordance with subsections 8-4 and 8-5.

SECTION 9 AMENDMENT, TERMINATION AND CHANGE OF CONDITIONS RELATING TO PAYMENTS

The Plan will be effective from its effective date until terminated by the Board of Directors. The Board of Directors reserves the right to amend the Plan from time to time and to terminate the Plan at any time. No such amendment or any termination of the Plan shall reduce any fixed or contingent obligations which shall have arisen under the Plan prior to the date of such amendment or termination.

SCHEDULE A

[TO BE INSERTED WHEN AMOUNTS ARE AVAILABLE]

EXHIBIT A**IRREVOCABLE GRANTOR TRUST AGREEMENT**

THIS AGREEMENT, made this ____ day of _____, 20____, by and between _____ of _____, Illinois (the “grantor”) and The Northern Trust Company located at Chicago, Illinois, as trustee (the “trustee”);

WITNESSETH THAT:

WHEREAS, the grantor desires to establish and maintain a trust to hold certain benefits received by the grantor under the AbbVie Supplemental Savings Plan, as it may be amended from time to time;

NOW, THEREFORE, IT IS AGREED as follows:

ARTICLE I INTRODUCTION

I-1. NAME. This agreement and the trust hereby evidenced (the “trust”) may be referred to as the “_____ Grantor Trust”.

I-2. THE TRUST FUND. The “trust fund” as at any date means all property then held by the trustee under this agreement.

I-3. STATUS OF THE TRUST. The trust shall be irrevocable. The trust is intended to constitute a grantor trust under Sections 671-678 of the Internal Revenue Code, as amended, and shall be construed accordingly.

I-4. THE ADMINISTRATOR. AbbVie Inc. (“AbbVie”) shall act as the “administrator” of the trust, and as such shall have certain powers, rights and duties under this agreement as described below. AbbVie will certify to the trustee from time to time the person or persons authorized to act on behalf of AbbVie as the administrator. The trustee may rely on the latest certificate received without further inquiry or verification.

I-5. ACCEPTANCE. The trustee accepts the duties and obligations of the “trustee” hereunder, agrees to accept funds delivered to it by the grantor or the administrator, and agrees to hold such funds (and any proceeds from the investment of such funds) in trust in accordance with this agreement.

ARTICLE II**DISTRIBUTION OF THE TRUST FUND**

II-1. DEFERRED ACCOUNT. The administrator shall maintain a “deferred account” under the trust. As of the end of each calendar year, the administrator shall charge the deferred account with all distributions made from such account during that year; and credit such account with income and realized gains and charge such account with expenses and realized losses for the year.

II-2. DISTRIBUTIONS FROM THE DEFERRED ACCOUNT PRIOR TO THE GRANTOR’S DEATH. Principal and accumulated income credited to the deferred account shall not be distributed from the trust prior to the grantor’s retirement or other termination of employment with AbbVie or a subsidiary of AbbVie (the grantor’s “settlement date”); provided that, each year the administrator may direct the trustee to distribute to the grantor a portion of the income of the deferred account for that year, with the balance of such income to be accumulated in that account. The administrator shall inform the trustee of the grantor’s settlement date. Thereafter, the trustee shall distribute the amounts from time to time credited

to the deferred account to the grantor, if then living, either in a lump-sum payable as soon as practicable following the settlement date, or in a series of annual installments, with the amount of each installment computed by one of the following methods:

- a. The amount of each installment shall be equal to the sum of: (i) the amount credited to the deferred account as of the end of the year in which the grantor's settlement date occurs, divided by the number of years over which installments are to be distributed; plus (ii) the net earnings credited to the deferred account for the preceding year (excluding the year in which the grantor's settlement date occurs).
- b. The amount of each installment shall be determined by dividing the amount credited to the deferred account as of the end of the preceding year by the difference between (i) the total number of years over which installments are to be distributed, and (ii) the number of annual installment distributions previously made from the deferred account.
- c. Each installment (after the first installment) shall be approximately equal, with the amount comprised of the sum of: (i) the amount of the first installment, plus interest thereon at the rate determined under the AbbVie Supplemental Savings Plan, compounded annually; and (ii) the net earnings credited to the deferred account for the preceding year.

Notwithstanding the foregoing, the final installment distribution made to the grantor under this paragraph II-2 shall equal the total principal and accumulated income then held in the trust fund. The grantor, by writing filed with the trustee and the administrator on or before the end of the calendar year in which the grantor's settlement date occurs, may select either the lump-sum or an installment payment method and, if an installment method is selected, may select both the period (which may not be less than ten years from the end of the calendar year in which the grantor's settlement date occurred) over which the installment distributions are to be made and the method of computing the amount of each installment. In the absence of such a written direction by the grantor, installment distributions shall be made over a period of ten years, and the amount of each installment shall be computed by using the method described in subparagraph (a) next above. Installment distributions under this paragraph II-2 shall be made as of January 1 of each year, beginning with the calendar year following the year in which the grantor's settlement date occurs. The administrator shall inform the trustee of the amount of each installment distribution under this paragraph II-2, and the trustee shall be fully protected in relying on such information received from the administrator.

II-3. DISTRIBUTIONS AFTER THE GRANTOR'S DEATH. The grantor may, from time to time, name any person or persons (who may be named contingently or successively and who may be natural persons or fiduciaries) to whom the principal of the trust fund and all accrued or undistributed income thereof shall be distributed in a lump sum or, if the beneficiary is the grantor's spouse (or a trust for which the grantor's spouse is the sole income beneficiary), in installments, as directed by the grantor, upon the grantor's death. If the grantor directs an installment method of distribution to the spouse as beneficiary, any amounts remaining at the death of the spouse beneficiary shall be distributed in a lump sum to the executor or administrator of the spouse beneficiary's estate. If the grantor directs an installment method of distribution to a trust for which the grantor's spouse is the sole income beneficiary, any amounts remaining at the death of the spouse shall be distributed in a lump sum to such trust. Despite the foregoing, if (i) the beneficiary is a trust for which the grantor's spouse is the sole income beneficiary, (ii) payments are being made pursuant to this paragraph II-3 other than in a lump sum and (iii) income earned by the trust fund for the year exceeds the amount of the annual installment payment, then such trust may elect to withdraw such excess income by written notice to the trustee. Each designation shall revoke all prior designations, shall be in writing and shall be effective only when filed by the grantor with the administrator during the grantor's lifetime. If the grantor fails to direct a method of distribution, the distribution shall be made in a lump sum. If the grantor fails to designate a beneficiary as provided above,

then on the grantor's death, the trustee shall distribute the balance of the trust fund in a lump sum to the executor or administrator of the grantor's estate.

II-4. FACILITY OF PAYMENT. When a person entitled to a distribution hereunder is under legal disability, or, in the trustee's opinion, is in any way incapacitated so as to be unable to manage his or her financial affairs, the trustee may make such distribution to such person's legal representative, or to a relative or friend of such person for such person's benefit. Any distribution made in accordance with the preceding sentence shall be a full and complete discharge of any liability for such distribution hereunder.

II-5. PERPETUITIES. Notwithstanding any other provisions of this agreement, on the day next preceding the end of 21 years after the death of the last to die of the grantor and the grantor's descendants living on the date of this instrument, the trustee shall immediately distribute any remaining balance in the trust to the beneficiaries then entitled to distributions hereunder.

ARTICLE III MANAGEMENT OF THE TRUST FUND

III-1. GENERAL POWERS. The trustee shall, with respect to the trust fund, have the following powers, rights and duties in addition to those provided elsewhere in this agreement or by law:

- a. Subject to the limitations of subparagraph (b) next below, to sell, contract to sell, purchase, grant or exercise options to purchase, and otherwise deal with all assets of the trust fund, in such way, for such considerations, and on such terms and conditions as the trustee decides.
- b. To retain in cash such amounts as the trustee considers advisable; and to invest and reinvest the balance of the trust fund, without distinction between principal and income, in obligations of the United States Government and its agencies or which are backed by the full faith and credit of the United States Government or in any mutual fund, common trust fund or collective investment fund which invests solely in such obligations; and any such investment made or retained by the trustee in good faith shall be proper despite any resulting risk or lack of diversification or marketability.
- c. To deposit cash in any depository (including the banking department of the bank acting as trustee) without liability for interest, and to invest cash in savings accounts or time certificates of deposit bearing a reasonable rate of interest in any such depository.
- d. To invest, subject to the limitations of subparagraph (b) next above, in any common or commingled trust fund or funds maintained or administered by the trustee solely for the investment of trust funds.
- e. To borrow from anyone, with the administrator's approval, such sum or sums from time to time as the trustee considers desirable to carry out this trust, and to mortgage or pledge all or part of the trust fund as security.
- f. To retain any funds or property subject to any dispute without liability for interest and to decline to make payment or delivery thereof until final adjudication by a court of competent jurisdiction or until an appropriate release is obtained.
- g. To begin, maintain or defend any litigation necessary in connection with the administration of this trust, except that the trustee shall not be obliged or required to do so unless indemnified to the trustee's satisfaction.

- h. To compromise, contest, settle or abandon claims or demands.
- i. To give proxies to vote stocks and other voting securities, to join in or oppose (alone or jointly with others) voting trusts, mergers, consolidations, foreclosures, reorganizations, liquidations, or other changes in the financial structure of any corporation, and to exercise or sell stock subscription or conversion rights.
- j. To hold securities or other property in the name of a nominee, in a depository, or in any other way, with or without disclosing the trust relationship.
- k. To divide or distribute the trust fund in undivided interests or wholly or partly in kind.
- l. To pay any tax imposed on or with respect to the trust; to defer making payment of any such tax if it is indemnified to its satisfaction in the premises; and to require before making any payment such release or other document from any lawful taxing authority and such indemnity from the intended payee as the trustee considers necessary for its protection.
- m. To deal without restriction with the legal representative of the grantor's estate or the trustee or other legal representative of any trust created by the grantor or a trust or estate in which a beneficiary has an interest, even though the trustee, individually, shall be acting in such other capacity, without liability for any loss that may result.
- n. To appoint or remove by written instrument any bank or corporation qualified to act as successor trustee, wherever located, as special trustee as to part or all of the trust fund, including property as to which the trustee does not act, and such special trustee, except as specifically limited or provided by this or the appointing instrument, shall have all of the rights, titles, powers, duties, discretions and immunities of the trustee, without liability for any action taken or omitted to be taken under this or the appointing instrument.
- o. To appoint or remove by written instrument any bank, wherever located, as custodian of part or all of the trust fund, and each such custodian shall have such rights, powers, duties and discretions as are delegated to it by the trustee.
- p. To employ agents, attorneys, accountants or other persons, and to delegate to them such powers as the trustee considers desirable, and the trustee shall be protected in acting or refraining from acting on the advice of persons so employed without court action.
- q. To perform any and all other acts which in the trustee's judgment are appropriate for the proper management, investment and distribution of the trust fund.

III-2. PRINCIPAL AND INCOME. Any income earned on the trust fund which is not distributed as provided in Article II shall be accumulated and from time to time added to the principal of the trust. The grantor's interest in the trust shall include all assets or other property held by the trustee hereunder, including principal and accumulated income.

III-3. STATEMENTS. The trustee shall prepare and deliver monthly to the administrator and annually to the grantor, if then living, otherwise to each beneficiary then entitled to distributions under this agreement, a statement (or series of statements) setting forth (or which taken together set forth) all investments, receipts, disbursements and other transactions effected by the trustee during the reporting period; and showing the trust fund and the value thereof at the end of such period.

III-4. COMPENSATION AND EXPENSES. All reasonable costs, charges and expenses incurred in the administration of this trust, including compensation to the trustee, any compensation to agents, attorneys, accountants and other persons employed by the trustee, and expenses incurred in connection with the sale, investment and reinvestment of the trust fund shall be paid from the trust fund.

ARTICLE IV GENERAL PROVISIONS

IV-1. INTERESTS NOT TRANSFERABLE. The interests of the grantor or other persons entitled to distributions hereunder are not subject to their debts or other obligations and may not be voluntarily or involuntarily sold, transferred, alienated, assigned or encumbered.

IV-2. DISAGREEMENT AS TO ACTS. If there is a disagreement between the trustee and anyone as to any act or transaction reported in any accounting, the trustee shall have the right to a settlement of its account by any proper court.

IV-3. TRUSTEE'S OBLIGATIONS. No power, duty or responsibility is imposed on the trustee except as set forth in this agreement. The trustee is not obliged to determine whether funds delivered to or distributions from the trust are proper under the trust, or whether any tax is due or payable as a result of any such delivery or distribution. The trustee shall be protected in making any distribution from the trust as directed pursuant to Article II without inquiring as to whether the distributee is entitled thereto; and the trustee shall not be liable for any distribution made in good faith without written notice or knowledge that the distribution is not proper under the terms of this agreement.

IV-4. GOOD FAITH ACTIONS. The trustee's exercise or non-exercise of its powers and discretions in good faith shall be conclusive on all persons. No one shall be obliged to see to the application of any money paid or property delivered to the trustee. The certificate of the trustee that it is acting according to this agreement will fully protect all persons dealing with the trustee.

IV-5. WAIVER OF NOTICE. Any notice required under this agreement may be waived by the person entitled to such notice.

IV-6. CONTROLLING LAW. The laws of the State of Illinois shall govern the interpretation and validity of the provisions of this agreement and all questions relating to the management, administration, investment and distribution of the trust hereby created.

IV-7. SUCCESSORS. This agreement shall be binding on all persons entitled to distributions hereunder and their respective heirs and legal representatives, and on the trustee and its successors.

ARTICLE V CHANGES IN TRUSTEE

V-1. RESIGNATION OR REMOVAL OF TRUSTEE. The trustee may resign at any time by giving thirty days' advance written notice to the administrator and the grantor. The administrator may remove a trustee by written notice to the trustee and the grantor.

V-2. APPOINTMENT OF SUCCESSOR TRUSTEE. The administrator shall fill any vacancy in the office of trustee as soon as practicable by written notice to the successor trustee; and shall give prompt written notice thereof to the grantor, if then living, otherwise to each beneficiary then entitled to payments or distributions under this agreement. A successor trustee shall be a bank (as defined in Section 581 of the Internal Revenue Code, as amended).

V-3. DUTIES OF RESIGNING OR REMOVED TRUSTEE AND OF SUCCESSOR TRUSTEE. A trustee that resigns or is removed shall furnish promptly to the administrator and the successor trustee an account of its administration of the trust from the date of its last account. Each successor trustee shall succeed to the title to the trust fund vested in its predecessor without the signing or filing of any instrument, but each predecessor trustee shall execute all documents and do all acts necessary to vest such title of record in the successor trustee. Each successor trustee shall have all the powers conferred by this agreement as if originally named trustee. No successor trustee shall be personally liable for any act or failure to act of a predecessor trustee. With the approval of the administrator, a successor trustee may accept the account furnished and the property delivered by a predecessor trustee without incurring any liability for so doing, and such acceptance will be complete discharge to the predecessor trustee.

ARTICLE VI
AMENDMENT AND TERMINATION

VI-1. AMENDMENT. With the consent of the administrator, this trust may be amended from time to time by the grantor, if then living, otherwise by a majority of the beneficiaries then entitled to payments or distributions hereunder, except as follows:

- a. The duties and liabilities of the trustee cannot be changed substantially without its consent.
- b. This trust may not be amended so as to make the trust revocable.

VI-2. TERMINATION. This trust shall not terminate, and all rights, titles, powers, duties, discretions and immunities imposed on or reserved to the trustee, the administrator, the grantor and the beneficiaries shall continue in effect, until all assets of the trust have been distributed by the trustee as provided in Article II.

* * *

IN WITNESS WHEREOF, the grantor and the trustee have executed this agreement as of the day and year first above written.

Grantor

The Northern Trust Company, as Trustee

By _____
Its _____

SUPPLEMENT A

SPECIAL RULES RELATED TO TRANSFER FROM ABBOTT LABORATORIES 401(k) SUPPLEMENTAL PLAN

Purpose and Effect. The purpose of this Supplement A is to provide for the transfer of liabilities from the Abbott Laboratories 401(k) Supplemental Plan (the "Abbott KSP") to this Plan with respect to Transferred Participants and Post-Distribution Participants as set forth in the EMA.

Eligibility, Service and Compensation. Transferred Participants and Post-Distribution Participants shall (a) be eligible to participate in this Plan to the extent they were eligible to participate in the Abbott KSP as of the applicable Transfer Date (as defined in the EMA), and (b) receive credit for vesting and eligibility for all service credited for those purposes under the Abbott KSP as of the Transfer Date (as defined in the EMA) as if that service had been rendered to AbbVie (provided that in the event that any such Transferred Participant or Post-Distribution Participant receives a distribution from the Abbott KSP, the value of such distribution shall be offset against future benefits under the this Plan to the extent necessary to prevent a duplication of benefits). The compensation paid by Abbott and its subsidiaries to a Transferred Participant or a Post-Distribution Participant that was recognized under the Abbott KSP as of the Transfer Date (as defined in the EMA) shall be credited and recognized for all applicable purposes under this Plan as though it were compensation from AbbVie or its Subsidiaries.

Initial Transfer of Liabilities from Abbott KSP. As soon as practicable after the Separation (as defined in the Separation Agreement), and subject to such terms and conditions as the Plan Administrator may establish, all liabilities attributable to Transferred Participants shall be transferred from the Abbott KSP to this Plan. The Plan shall credit each such Transferred Participant's account with (a) the amount deferred by such individual into the Abbott KSP as of the applicable Transfer Date (as defined in the EMA), plus (b) any employer contributions, whether vested or unvested, deemed to have been made in relation to the amount described in (a), including, in each case, any earnings thereon.

Deferral and Distribution Elections. The Plan shall recognize, implement and honor all deferral and distribution elections made by a Transferred Participant under the Abbott KSP (including, but not limited to, any election to defer any bonus earned during 2012 but paid in 2013).

Subsequent Transfers. At such time or times as the Plan Administrator and Abbott (or its delegate) shall agree, and subject to such terms and conditions as the Plan Administrator may establish, all liabilities attributable to Post-Distribution Participants shall be transferred from the Abbott KSP to this Plan. The Plan shall credit each such Post-Distribution Participant's account with (a) the amount deferred by such individual into the Abbott KSP as of the applicable Transfer Date (as defined in the EMA), plus (b) any employer contributions, whether vested or unvested, deemed to have been made in relation to the amount described in (a), including, in each case, any earnings thereon.

Deferral and Distribution Elections – Post-Distribution Participants. Post-Distribution Participants are required to make new elections under the Plan upon hire or transfer to AbbVie or its subsidiaries in accordance with subsection 5-3. Distribution elections made under the Abbott KSP with respect to transferred amounts in A-5 above shall be recognized, implemented and honored by the Plan and such amounts shall be immediately distributable to such Post-Distribution Participants in accordance with such elections. Distribution elections with respect to amounts deferred under this Plan on or after the Effective Date shall be in accordance with the applicable provisions of this Plan.

Definitions. For purposes of this Supplement A, the following terms are defined as follows:

"Post-Distribution Participant" means: (i) a Post-Distribution AbbVie Employee (as defined in the EMA) who (A) was an employee of Abbott or its subsidiary as of immediately prior to the Separation (as defined in the Separation Agreement) and is transferred to or hired by AbbVie or its Subsidiary after the Separation (as defined in the Separation Agreement), and (B) had the liabilities associated with his or her account balances in the Abbott KSP transferred to this Plan in accordance with this Supplement A; and

(ii) any other individual who becomes a Plan participant and on whose behalf liabilities related to his or her prior period of employment with Abbott are transferred from an Abbott retirement plan to an AbbVie retirement plan during the Transition Period (as described in the EMA).

“Transferred Participant” means an AbbVie Employee (as defined in the EMA), excluding any Post-Distribution AbbVie Employee (as defined in the EMA), who accepts an offer of employment or continues employment with or is transferred to AbbVie or its Subsidiary under the Separation Agreement on or immediately after the Separation (as defined in the Separation Agreement).

Grantor Trusts. Certain Transferred Participants and Post-Distribution Participants who participated in the Abbott KSP have established grantor trusts in connection with such plan. Abbott and AbbVie shall use their commercially reasonable best efforts to facilitate the amendment of each such grantor trust to provide that (a) AbbVie is the administrator of such trust and (b) distribution of amounts under such trust is made by reference to termination of employment with AbbVie and its subsidiaries and not termination of employment with Abbott and its subsidiaries.

Use of Terms. Terms used in this Supplement A have the meanings of those terms as set forth in the Plan, unless they are defined in this Supplement A. All of the terms and provisions of the Plan shall apply to this Supplement A except that where the terms of the Plan and this Supplement A conflict, the terms of this Supplement A shall govern.

List Of Subsidiaries

The following is a list of subsidiaries of AbbVie Inc. as of December 31, 2021. AbbVie is not a subsidiary of any other corporation.

Domestic Subsidiaries	Incorporation
AbbVie Aviation LLC	Illinois
AbbVie Biopharmaceuticals LLC	Delaware
AbbVie Bioresearch Center Inc.	Delaware
AbbVie Biotech Ventures Inc.	Delaware
AbbVie Biotherapeutics Inc.	Delaware
AbbVie Domestic Holdings Inc.	Delaware
AbbVie Endocrine Inc.	Delaware
AbbVie Endocrinology Inc. (d/b/a Pharmacy Solutions)	Delaware
AbbVie Finance Corporation	Delaware
AbbVie Finance LLC	Delaware
AbbVie Global Inc.	Delaware
AbbVie Global Holdings Inc.	Delaware
AbbVie Holdco Inc.	Delaware
AbbVie Holdings Inc.	Delaware
AbbVie International Inc.	Delaware
AbbVie Investments Inc.	Delaware
AbbVie Pharma Inc.	Delaware
AbbVie Pharmaceuticals LLC	Delaware
AbbVie Products LLC	Georgia

AbbVie Purchasing LLC	Delaware
AbbVie Resources Inc.	Delaware
AbbVie Resources International Inc.	Delaware
AbbVie Respiratory LLC	Delaware
AbbVie Sales Inc.	Delaware
AbbVie Services Inc.	Delaware
AbbVie Stemcentrx LLC	Delaware
AbbVie Subsidiary LLC	Delaware
AbbVie US Holdings LLC	Delaware
AbbVie US LLC	Delaware
AbbVie Ventures LLC	Delaware
Aeropharm Technology, LLC	Delaware
AGN International Inc.	Delaware
AGN Kythera, LP	Delaware
AGN Labs LLC	Delaware
AGN LLC	Delaware
AGN Sundry, LLC	Delaware
Allergan Akarna LLC	Delaware
Allergan Finance, LLC	Nevada
ALLERGAN FINCO 2 INC.	Delaware
ALLERGAN FINCO INC.	Delaware
Allergan GI Corp	Delaware

Allergan GP Holding LLC	Delaware
Allergan Holdco US, Inc.	Delaware
Allergan Holdings B1, Inc.	Delaware
Allergan Holdings, Inc.	Delaware
Allergan, Inc.	Delaware
Allergan Laboratories, LLC	Delaware
Allergan Lending 2 LLC	Delaware
Allergan Lending LLC	Delaware
Allergan Pharma Inc.	Delaware
Allergan Property Holdings, LLC	Delaware
Allergan Puerto Rico Holdings, Inc.	Delaware
Allergan Sales Puerto Rico, Inc.	California
Allergan Sales, LLC (d/b/a Allergan; d/b/a Bioscience Laboratories)	Delaware
Allergan Therapeutics LLC	Delaware
Allergan USA, Inc. (d/b/a Pacificom / Pacific Communications)	Delaware
Allergan W.C. Holding Inc.	Delaware
Anterios, Inc.	Delaware
Aptalis Pharma US, Inc.	Delaware
AqueSys, Inc.	Delaware
BioDisplay Technologies, Inc.	Illinois
Bonti, Inc.	Delaware

Cearna Aesthetics, Inc.	Delaware
Chase Pharmaceuticals Corporation	Delaware
Del Mar Indemnity Company LLC	Hawaii
Durata Holdings, Inc.	Delaware
Durata Therapeutics, Inc.	Delaware
Durata Therapeutics U.S. Limited	Delaware
Eden Biodesign, LLC	Delaware
Envy Medical, Inc.	Delaware
Exemplar Pharma, LLC	Delaware
Foresight Vision5, Inc.	Delaware
Fremont Holding L.L.C.	Delaware
Furiex Pharmaceuticals LLC	Delaware
IEP Pharmaceutical Devices, LLC	Delaware
Keller Medical, Inc.	Delaware
Knoll Pharmaceutical Company	New Jersey
KOS Pharmaceuticals, Inc.	Delaware
Life Properties Inc.	Delaware
LifeCell Corporation	Delaware
MAP Pharmaceuticals, LLC	Delaware
Mavupharma, Inc.	Delaware
MPEX Pharmaceuticals, Inc.	Delaware

Naurex Inc.	Delaware
Oculeve, Inc.	Delaware
Organics L.L.C.	Delaware
Pacific Pharma, Inc.	Delaware
Pharmacyclics LLC	Delaware
Pharmax Holding Limited	Delaware
Repros Therapeutics Inc.	Delaware
Rowell Laboratories, Inc.	Minnesota
RP Merger Sub, Inc.	Delaware
Sapphire Merger Sub, Inc.	Delaware
Silicone Engineering, Inc.	California
Soliton Inc.	Delaware
Suffolk Merger Sub, Inc.	Delaware
TeneoOne, Inc.	Delaware
Tobira Therapeutics, Inc.	Delaware
Topokine Therapeutics, Inc.	Delaware
Transderm, Inc.	Delaware
Unimed Pharmaceuticals, LLC	Delaware
Venice Subsidiary LLC	Delaware
Vicuron Pharmaceuticals LLC	Delaware
Vitae Pharmaceuticals, LLC	Delaware
Warner Chilcott Leasing Equipment Inc.	Delaware

Warner Chilcott Sales (US), LLC	Delaware
Zeltiq A LLC	Delaware
Zeltiq Aesthetics, Inc.	Delaware
Zeltiq International, LLC	Delaware

Foreign Subsidiaries	Incorporation
AbbVie S.A.	Argentina
Allergan Productos Farmaceuticos S.A.	Argentina
Allergan Australia Pty Limited	Australia
Elastagen Pty Ltd	Australia
Kythera Biopharmaceuticals Australia Pty Ltd	Australia
AbbVie Pty Ltd	Australia
AbbVie GmbH	Austria
AbbVie Bahamas Ltd.	Bahamas
AbbVie SA	Belgium
Allergan N.V.	Belgium
Odyssea Pharma SPRL	Belgium
AbbVie Ltd	Bermuda
AbbVie Biotechnology Ltd	Bermuda
AbbVie Finance Limited	Bermuda
AbbVie Global Enterprises Ltd.	Bermuda
AbbVie Holdings Unlimited	Bermuda
Allergan Development Ventures I, LP	Bermuda
Allergan Holdings B Ltd.	Bermuda
Allergan Holdings B2, Ltd.	Bermuda
Kythera Holdings Ltd	Bermuda
Warner Chilcott Holdings Company II, Limited	Bermuda

Warner Chilcott Holdings Company III, Limited	Bermuda
Warner Chilcott Limited	Bermuda
AbbVie d.o.o.	Bosnia
AbbVie Farmacêutica Ltda.	Brazil
Allergan Productos Farmaceuticos Ltda.	Brazil
AbbVie EOOD	Bulgaria
Allergan Bulgaria EOOD	Bulgaria
AbbVie Corporation	Canada
AbbVie Holdings Corporation	Canada
Allergan Inc.	Canada
Aptalis Pharma Canada ULC	Canada (Alberta)
Allergan Holdings C, Ltd.	Cayman Islands
Allergan Overseas Holding	Cayman Islands
Pharmacyclics Cayman Ltd.	Cayman Islands
Stemcentrx Cayman Ltd.	Cayman Islands
AbbVie Productos Farmacéuticos Limitada	Chile
Allergan Laboratorios Limitada	Chile
AbbVie Pharmaceutical Trading (Shanghai) Co., Ltd.	China
Allergan (Chengdu) Medical Aesthetics Clinic Co., Ltd.	China
Allergan Information Consulting (Shanghai) Co., Ltd.	China
Allergan Medical Device (Shanghai) Co., Ltd.	China

AbbVie S.A.S.	Colombia
Allergan de Colombia S.A.	Colombia
Allergan Costa Rica S.R.L.	Costa Rica
AbbVie d.o.o.	Croatia
AbbVie Limited	Cyprus
AbbVie s.r.o.	Czech Republic
Allergan CZ, s.r.o.	Czech Republic
AbbVie A/S	Denmark
Allergan ApS	Denmark
AbbVie, S.R.L.	Dominican Republic
AbbVie L.L.C.	Egypt
AbbVie OÜ	Estonia
AbbVie Oy	Finland
Allergan Finland Oy	Finland
AbbVie SAS	France
Allergan France SAS	France
Allergan Holdings France SAS	France
Allergan Industrie SAS	France
Eurand France S.A.S.	France
Forest Holdings France S.A.S.	France
AbbVie Biotechnology GmbH	Germany
AbbVie Deutschland GmbH & Co. KG	Germany

AbbVie Komplementär GmbH	Germany
AbbVie Pharmaceuticals GmbH	Germany
AbbVie Real Estate Management GmbH	Germany
Allergan GmbH	Germany
AbbVie (Gibraltar) Holdings Limited	Gibraltar
AbbVie (Gibraltar) Limited	Gibraltar
AbbVie Pharmaceuticals Societe Anonyme	Greece
Allergan Hellas Pharmaceuticals S.A.	Greece
AbbVie, Societed Anonima	Guatemala
AbbVie Limited	Hong Kong
Allergan Hong Kong Limited	Hong Kong
AbbVie Gyogyszerkereskedelmi Korlatolt Felelossegu Tarsasag	Hungary
Allergan Hungary Kft.	Hungary
Allergan Healthcare India Private Limited	India
Allergan India Private Limited*	India
AbbVie International Holdings Unlimited Company	Ireland
AbbVie Ireland Holdings Unlimited Company	Ireland
AbbVie Ireland Unlimited Company	Ireland
AbbVie Limited	Ireland
AbbVie Manufacturing Management Unlimited Company	Ireland

Allergan Botox Unlimited Company (In voluntary liquidation)	Ireland
Allergan Equities Unlimited Company	Ireland
Allergan Furiex Ireland Limited (In voluntary liquidation)	Ireland
Allergan Holdings Unlimited Company	Ireland
Allergan Ireland Holdings Unlimited Company	Ireland
Allergan Ireland Limited	Ireland
Allergan Limited	Ireland
Allergan Pharma Limited	Ireland
Allergan Pharmaceuticals Holdings (Ireland) Unlimited Company (In voluntary liquidation)	Ireland
Allergan Pharmaceuticals International Limited	Ireland
Allergan Pharmaceuticals Ireland Unlimited Company	Ireland
Allergan Services International, Unlimited Company	Ireland
Allergan WC Ireland Holdings Limited	Ireland
Forest Laboratories Ireland Limited	Ireland
Fournier Laboratories Ireland Limited	Ireland
Pharmacyclics (Europe) Limited	Ireland
Tosara Exports Limited (In voluntary liquidation)	Ireland
Warner Chilcott Intermediate (Ireland) ULC	Ireland
Zeltiq Ireland International Holdings Unlimited Company	Ireland
Zeltiq Ireland Unlimited Company	Ireland
AbbVie Biopharmaceuticals Ltd.	Israel

Allergan Israel Ltd.	Israel
Marbelle Threads Ltd.	Israel
AbbVie S.r.l.	Italy
Allergan S.p.A.	Italy
Aptalis Pharma S.r.l.	Italy
AbbVie GK	Japan
Allergan International YK	Japan
Allergan Japan KK	Japan
Allergan K.K.	Japan
Allergan NK	Japan
AbbVie Ltd	Korea, South
Allergan Korea Ltd.	Korea, South
AbbVie SIA	Latvia
AbbVie UAB	Lithuania
Allergan Baltics, UAB	Lithuania
AbbVie Biotherapeutics S.à.r.l.	Luxembourg
AbbVie Holdings S.à r.l.	Luxembourg
AbbVie Global S.à r.l.	Luxembourg
Allergan AHI S.à r.l.	Luxembourg
Allergan Capital 2 S.à r.l.	Luxembourg
Allergan Capital S.à r.l.	Luxembourg
Allergan Europe S.à r.l.	Luxembourg

Allergan Finance S.à r.l.	Luxembourg
Allergan Funding SCS	Luxembourg
Allergan Global S.à r.l.	Luxembourg
Allergan Holdings S.à r.l.	Luxembourg
Allergan International Holding S.à r.l.	Luxembourg
Allergan Luxembourg International S.à r.l.	Luxembourg
Allergan WC 1 S.à r.l.	Luxembourg
Allergan WC 2 S.à r.l.	Luxembourg
AbbVie Sdn. Bhd.	Malaysia
Allergan Malaysia Sdn Bhd	Malaysia
Allergan Malta Holding Limited	Malta
Allergan Malta II Limited	Malta
Allergan Malta Limited	Malta
AbbVie Farmacéuticos, S.A. de C.V.	Mexico
Allergan Servicios Profesionales, S. de R.L. de C.V.	Mexico
Allergan, S.A. de C.V.	Mexico
AbbVie B.V.	Netherlands
AbbVie Central Finance B.V.	Netherlands
AbbVie Enterprises B.V.	Netherlands
AbbVie Finance B.V.	Netherlands
AbbVie Ireland NL B.V.	Netherlands

AbbVie Japan Holdings B.V.	Netherlands
AbbVie Logistics B.V.	Netherlands
AbbVie Nederland Holdings B.V.	Netherlands
AbbVie Pharmaceuticals B.V.	Netherlands
AbbVie Research B.V.	Netherlands
AbbVie Venezuela B.V.	Netherlands
AbbVie Venezuela Holdings B.V.	Netherlands
Allergan B.V.	Netherlands
Aptalis Holding B.V.	Netherlands
Aptalis Netherlands B.V.	Netherlands
Forest Finance B.V.	Netherlands
Warner Chilcott Nederland B.V.	Netherlands
AbbVie Limited	New Zealand
Allergan New Zealand Limited	New Zealand
AbbVie AS	Norway
Allergan AS	Norway
AbbVie, S. de R.L.	Panama
Allergan Healthcare Philippines, Inc.	Philippines
AbbVie Polska Sp. z o.o.	Poland
AbbVie Sp. z o.o.	Poland
Allergan Sp. z o.o.	Poland
AbbVie, L.da	Portugal

AbbVie Promoção, L.da	Portugal
AbbVie Corp	Puerto Rico
Knoll LLC	Puerto Rico
AbbVie S.R.L.	Romania
AbbVie Trading S.R.L.	Romania
Allergan S.R.L.	Romania
AbbVie Limited Liability Company	Russia
Allergan C.I.S. S.a.r.l.	Russia
Allergan Saudi Arabia LLC*	Saudi Arabia
Allergan d.o.o. Beograd	Serbia
AbbVie Operations Singapore Pte. Ltd.	Singapore
AbbVie Pte. Ltd.	Singapore
Allergan Singapore Pte. Ltd.	Singapore
AbbVie Holdings s.r.o.	Slovakia
AbbVie s.r.o.	Slovakia
Allergan SK s.r.o.	Slovakia
AbbVie Biofarmaceutvska druzba d.o.o.	Slovenia
AbbVie (Pty) Ltd.	South Africa
Allergan Pharmaceuticals (Proprietary) Limited	South Africa
AbbVie Spain, S.L.	Spain
Allergan S.A.	Spain

AbbVie AB	Sweden
Allergan Norden AB	Sweden
AbbVie AG	Switzerland
AbbVie Biopharmaceuticals GmbH	Switzerland
Allergan AG	Switzerland
Pharmacyclics Switzerland GmbH	Switzerland
VarioRaw Percutive S.à r.l.	Switzerland
Warner Chilcott Pharmaceuticals S à rl	Switzerland
Allergan Pharmaceuticals Taiwan Co. Ltd.	Taiwan
AbbVie Ltd.	Thailand
Allergan (Thailand) Limited	Thailand
AbbVie Sarl	Tunisia
AbbVie Tıbbi İlaçlar Sanayi ve Ticaret Limited Şirketi	Turkey
Allergan İlaçları Ticaret Anonim Şirketi	Turkey
Allergan Ukraine LLC	Ukraine
Allergan Middle East Limited	United Arab Emirates
AbbVie Australasia Holdings Limited	United Kingdom
AbbVie Biotherapeutics Limited	United Kingdom
AbbVie Investments Limited	United Kingdom
AbbVie Ltd	United Kingdom
AbbVie Trustee Company Limited	United Kingdom
AbbVie UK Holdco Limited	United Kingdom

Akarna Therapeutics, Limited	United Kingdom
Allergan Holdco UK Limited	United Kingdom
Allergan Holdings Limited	United Kingdom
Allergan Limited	United Kingdom
Lifecell EMEA Limited (In voluntary liquidation)	United Kingdom
Renable Pharma Ltd.	United Kingdom
Zeltiq Limited (In voluntary liquidation)	United Kingdom
AbbVie S.A.	Uruguay
AbbVie Pharmaceuticals SCA.	Venezuela

* Ownership of such subsidiary is less than 100% by AbbVie or an AbbVie subsidiary

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statements (Form S-8 No. 333-185561, Form S-3 No. 333-207422, and Form S-8 No. 333-222107) pertaining to the AbbVie 2013 Incentive Stock Program,
- (2) Registration Statement (Form S-8 No. 333-185562) pertaining to the AbbVie 2013 Employee Stock Purchase Plan for Non-U.S. Employees,
- (3) Registration Statements (Form S-8 No. 333-185563 and Form S-8 No. 333-222105) pertaining to the AbbVie Deferred Compensation Plan,
- (4) Registration Statement (Form S-8 No. 333-185564) pertaining to the AbbVie Savings Program,
- (5) Registration Statement (Form S-8 No. 333-204466) pertaining to the Pharmacyclics, Inc. 2014 Equity Incentive Awards Plan,
- (6) Registration Statement (Form S-8 No. 333-212067) pertaining to the Stemcentrx 2011 Equity Incentive Plan,
- (7) Registration Statement (Form S-3 No. 333-238302) pertaining to common stock of AbbVie Inc.,
- (8) Registration Statement (Form S-8 No. 333-239320) pertaining to the Allergan, Inc. Retirement 401(k) Plan, and
- (9) Registration Statement (Form S-8 No. 333-256045) pertaining to the AbbVie Amended and Restated 2013 Incentive Stock Program;

of our reports dated February 18, 2022, with respect to the consolidated financial statements of AbbVie Inc. and subsidiaries and the effectiveness of internal control over financial reporting of AbbVie Inc. and subsidiaries included in this Annual Report (Form 10-K) of AbbVie Inc. and subsidiaries for the year ended December 31, 2021.

/s/ Ernst & Young LLP

Chicago, Illinois

February 18, 2022

**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 annual report on Form 10-K 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: February 18, 2022

/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, Robert A. Michael, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 18, 2022

/s/ Robert A. Michael

Robert A. Michael, Vice Chairman, Finance and Commercial Operations and 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 Annual Report of AbbVie Inc. (the "Company") on Form 10-K for the period ended December 31, 2021 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

February 18, 2022

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 Annual Report of AbbVie Inc. (the "Company") on Form 10-K for the period ended December 31, 2021 as filed with the Securities and Exchange Commission (the "Report"), I, Robert A. Michael, Vice Chairman, Finance and Commercial Operations and 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/ Robert A. Michael

Robert A. Michael
Vice Chairman, Finance and Commercial Operations and Chief
Financial Officer

February 18, 2022

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.