

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2020

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



(Exact name of registrant as specified in its charter)

Delaware

32-0375147

(State or other jurisdiction of incorporation or organization)

(I.R.S. employer identification number)

1 North Waukegan Road  
North Chicago, Illinois 60064-6400

Telephone: (847) 932-7900

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

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

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

Large Accelerated Filer

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ABBV	New York Stock Exchange Chicago Stock Exchange
1.375% Senior Notes due 2024	ABBV24	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
1.250% Senior Notes due 2031	ABBV31	New York Stock Exchange

As of April 30, 2020, AbbVie Inc. had 1,476,742,215 shares of common stock at \$0.01 par value outstanding.

# AbbVie Inc. and Subsidiaries

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## PART I. FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

(in millions, except per share data)	Three months ended March 31,	
	2020	2019
<b>Net revenues</b>	\$ 8,619	\$ 7,828
Cost of products sold	1,942	1,694
Selling, general and administrative	1,695	1,680
Research and development	1,379	1,289
Acquired in-process research and development	—	155
<b>Total operating costs and expenses</b>	<b>5,016</b>	<b>4,818</b>
Operating earnings	3,603	3,010
Interest expense, net	428	325
Net foreign exchange loss	5	6
Other expense, net	72	135
Earnings before income tax expense	3,098	2,544
Income tax expense	88	88
<b>Net earnings</b>	<b>\$ 3,010</b>	<b>\$ 2,456</b>
<b>Per share data</b>		
Basic earnings per share	\$ 2.02	\$ 1.65
Diluted earnings per share	\$ 2.02	\$ 1.65
Weighted-average basic shares outstanding	1,481	1,480
Weighted-average diluted shares outstanding	1,484	1,483

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

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

(in millions)	Three months ended March 31,	
	2020	2019
<b>Net earnings</b>	\$ 3,010	\$ 2,456
Foreign currency translation adjustments, net of tax expense (benefit) of \$(8) for the three months ended March 31, 2020 and \$1 for the three months ended March 31, 2019	(227)	(103)
Net investment hedging activities, net of tax expense (benefit) of \$20 for the three months ended March 31, 2020 and \$19 for the three months ended March 31, 2019	72	65
Pension and post-employment benefits, net of tax expense (benefit) of \$15 for the three months ended March 31, 2020 and \$6 for the three months ended March 31, 2019	56	25
Marketable security activities, net of tax expense (benefit) of \$— for the three months ended March 31, 2020 and \$— for the three months ended March 31, 2019	—	7
Cash flow hedging activities, net of tax expense (benefit) of \$(2) for the three months ended March 31, 2020 and \$(7) for the three months ended March 31, 2019	(2)	(30)
Other comprehensive loss	(101)	(36)
<b>Comprehensive income</b>	\$ 2,909	\$ 2,420

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

**AbbVie Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets**

(in millions, except share data)	March 31, 2020	December 31, 2019
	(unaudited)	
<b>Assets</b>		
<b>Current assets</b>		
Cash and equivalents	\$ 41,142	\$ 39,924
Accounts receivable, net	6,362	5,428
Inventories	1,844	1,813
Prepaid expenses and other	2,410	2,354
<b>Total current assets</b>	<b>51,758</b>	<b>49,519</b>
Investments	78	93
Property and equipment, net	2,961	2,962
Intangible assets, net	18,203	18,649
Goodwill	15,561	15,604
Other assets	2,638	2,288
<b>Total assets</b>	<b>\$ 91,199</b>	<b>\$ 89,115</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Short-term borrowings	\$ 6	\$ —
Current portion of long-term debt and finance lease obligations	3,756	3,753
Accounts payable and accrued liabilities	12,709	11,832
<b>Total current liabilities</b>	<b>16,471</b>	<b>15,585</b>
Long-term debt and finance lease obligations	63,284	62,975
Deferred income taxes	959	1,130
Other long-term liabilities	17,900	17,597
Commitments and contingencies		
<b>Stockholders' equity (deficit)</b>		
Common stock, \$0.01 par value, 4,000,000,000 shares authorized, 1,786,240,964 shares issued as of March 31, 2020 and 1,781,582,608 as of December 31, 2019	18	18
Common stock held in treasury, at cost, 309,566,303 shares as of March 31, 2020 and 302,671,146 as of December 31, 2019	(25,110)	(24,504)
Additional paid-in capital	15,401	15,193
Retained earnings	5,973	4,717
Accumulated other comprehensive loss	(3,697)	(3,596)
<b>Total stockholders' equity (deficit)</b>	<b>(7,415)</b>	<b>(8,172)</b>
<b>Total liabilities and equity</b>	<b>\$ 91,199</b>	<b>\$ 89,115</b>

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

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

(in millions)	Common shares outstanding	Common stock	Treasury stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total
<b>Balance at December 31, 2018</b>	1,479	\$ 18	\$ (24,108)	\$ 14,756	\$ 3,368	\$ (2,480)	\$ (8,446)
Net earnings	—	—	—	—	2,456	—	2,456
Other comprehensive loss, net of tax	—	—	—	—	—	(36)	(36)
Dividends declared	—	—	—	—	(1,590)	—	(1,590)
Purchases of treasury stock	(5)	—	(419)	—	—	—	(419)
Stock-based compensation plans and other	4	—	25	184	—	—	209
<b>Balance at March 31, 2019</b>	1,478	\$ 18	\$ (24,502)	\$ 14,940	\$ 4,234	\$ (2,516)	\$ (7,826)
<b>Balance at December 31, 2019</b>	1,479	\$ 18	\$ (24,504)	\$ 15,193	\$ 4,717	\$ (3,596)	\$ (8,172)
Net earnings	—	—	—	—	3,010	—	3,010
Other comprehensive loss, net of tax	—	—	—	—	—	(101)	(101)
Dividends declared	—	—	—	—	(1,754)	—	(1,754)
Purchases of treasury stock	(7)	—	(643)	—	—	—	(643)
Stock-based compensation plans and other	5	—	37	208	—	—	245
<b>Balance at March 31, 2020</b>	1,477	\$ 18	\$ (25,110)	\$ 15,401	\$ 5,973	\$ (3,697)	\$ (7,415)

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

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

(in millions) (brackets denote cash outflows)	Three months ended March 31,	
	2020	2019
<b>Cash flows from operating activities</b>		
Net earnings	\$ 3,010	\$ 2,456
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	115	118
Amortization of intangible assets	444	385
Change in fair value of contingent consideration liabilities	72	169
Stock-based compensation	219	189
Upfront costs and milestones related to collaborations	40	195
Other, net	1	(33)
Changes in operating assets and liabilities:		
Accounts receivable	(1,025)	(316)
Inventories	(107)	(128)
Prepaid expenses and other assets	(19)	(112)
Accounts payable and other liabilities	1,065	94
<b>Cash flows from operating activities</b>	<b>3,815</b>	<b>3,017</b>
<b>Cash flows from investing activities</b>		
Acquisitions and investments	(12)	(320)
Acquisitions of property and equipment	(125)	(107)
Purchases of investment securities	(13)	(194)
Sales and maturities of investment securities	26	594
Other	(5)	—
<b>Cash flows from investing activities</b>	<b>(129)</b>	<b>(27)</b>
<b>Cash flows from financing activities</b>		
Net change in commercial paper borrowings	—	(200)
Repayments of other short-term borrowings	—	(3,000)
Dividends paid	(1,763)	(1,588)
Purchases of treasury stock	(643)	(620)
Proceeds from the exercise of stock options	12	4
Payments of contingent consideration liabilities	(53)	—
Other, net	25	21
<b>Cash flows from financing activities</b>	<b>(2,422)</b>	<b>(5,383)</b>
Effect of exchange rate changes on cash and equivalents	(46)	1
Net change in cash and equivalents	1,218	(2,392)
Cash and equivalents, beginning of period	39,924	7,289
<b>Cash and equivalents, end of period</b>	<b>\$ 41,142</b>	<b>\$ 4,897</b>

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

# AbbVie Inc. and Subsidiaries

## Notes to Condensed Consolidated Financial Statements (unaudited)

### Note 1 Basis of Presentation

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#### Basis of Historical Presentation

The unaudited interim condensed consolidated financial statements of AbbVie Inc. (AbbVie or the company) have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) have been omitted. These unaudited interim condensed consolidated financial statements should be read in conjunction with the company's audited consolidated financial statements and notes included in the company's Annual Report on Form 10-K for the year ended December 31, 2019.

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

#### Recent Accounting Pronouncements

##### *Recently Adopted Accounting Pronouncements*

##### ASU No. 2016-13

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses (Topic 326)*. The standard changes how credit losses are measured for most financial assets and certain other instruments. For trade and other receivables, held-to-maturity debt securities, loans and other financial instruments, the standard requires the use of a new forward-looking "expected credit loss" model that generally will result in the earlier recognition of allowances for losses. For available-for-sale debt securities with unrealized losses, the standard now requires allowances to be recorded instead of reducing the amortized cost of the investment. AbbVie adopted the standard in the first quarter of 2020. The adoption did not have a material impact on the company's consolidated financial statements.

Upon adoption of the standard, 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. The allowance for credit losses was \$46 million at March 31, 2020. There were no significant changes in credit loss risk factors that impacted the company's recorded allowance during the three months ended March 31, 2020.

##### *Recent Accounting Pronouncements Not Yet Adopted*

##### 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. The standard will be effective for AbbVie starting with the first quarter of 2021. AbbVie is currently assessing the impact of this guidance on its consolidated financial statements.



## Note 2 Supplemental Financial Information

### Interest Expense, Net

(in millions)	Three months ended March 31,	
	2020	2019
Interest expense	\$ 563	\$ 387
Interest income	(135)	(62)
Interest expense, net	\$ 428	\$ 325

### Inventories

(in millions)	March 31, 2020	December 31, 2019
Finished goods	\$ 546	\$ 485
Work-in-process	932	942
Raw materials	366	386
Inventories	\$ 1,844	\$ 1,813

### Property and Equipment

(in millions)	March 31, 2020	December 31, 2019
Property and equipment, gross	\$ 8,250	\$ 8,188
Accumulated depreciation	(5,289)	(5,226)
Property and equipment, net	\$ 2,961	\$ 2,962

Depreciation expense was \$115 million for the three months ended March 31, 2020 and \$118 million for the three months ended March 31, 2019.

## Note 3 Earnings Per Share

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

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

(in millions, except per share data)	Three months ended March 31,	
	2020	2019
<b>Basic EPS</b>		
Net earnings	\$ 3,010	\$ 2,456
Earnings allocated to participating securities	14	12
Earnings available to common shareholders	\$ 2,996	\$ 2,444
Weighted-average basic shares outstanding	1,481	1,480
Basic earnings per share	\$ 2.02	\$ 1.65
<b>Diluted EPS</b>		
Net earnings	\$ 3,010	\$ 2,456
Earnings allocated to participating securities	14	12
Earnings available to common shareholders	\$ 2,996	\$ 2,444
Weighted-average shares of common stock outstanding	1,481	1,480
Effect of dilutive securities	3	3
Weighted-average diluted shares outstanding	1,484	1,483
Diluted earnings per share	\$ 2.02	\$ 1.65

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

## Note 4 Licensing, Acquisitions and Other Arrangements

### Proposed Acquisition of Allergan plc

On June 25, 2019, AbbVie announced that it entered into a definitive transaction agreement under which AbbVie will acquire Allergan plc (Allergan) in a cash and stock transaction for a transaction equity value of approximately \$63 billion, based on the closing price of AbbVie's common stock of \$78.45 on June 24, 2019. Under the terms of the transaction agreement, Allergan shareholders will receive 0.8660 AbbVie shares and \$120.30 in cash for each Allergan share. On October 14, 2019, Allergan shareholders approved the proposed 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. Allergan markets a portfolio of brands and products primarily focused on key therapeutic areas including aesthetics, eye care, neuroscience, gastroenterology and women's health.

The transaction is subject to customary closing conditions and regulatory approvals. In March 2020, AbbVie and Allergan signed a consent decree agreement with the staff of the U.S. Federal Trade Commission (FTC) regarding the proposed acquisition. Under the terms of the consent decree, the companies have agreed to divest brazikumab, Allergan's IL-23 inhibitor pipeline product, to AstraZeneca and Zenpep, a treatment for exocrine pancreatic insufficiency, to Nestle. Nestle will also acquire Viokace, another pancreatic enzyme preparation, as part of the same transaction. In March 2020, AbbVie and Allergan received final approval from the European Commission to close the pending transaction which was conditional upon the divestiture of brazikumab. In May 2020, AbbVie and Allergan received final approval from the FTC and the Irish High Court to close the transaction. The transaction is expected to close in May 2020.

In anticipation of the proposed acquisition, AbbVie entered into several debt and financing arrangements. See Note 8 for additional information.

### Other Licensing & Acquisitions Activity

Cash outflows related to other acquisitions and investments totaled \$12 million for the three months ended March 31, 2020 and \$320 million for the three months ended March 31, 2019. AbbVie recorded no acquired in-process research and development (IPR&D) charges for the three months ended March 31, 2020 and recorded acquired IPR&D charges of \$155 million for the three months ended March 31, 2019.

### Note 5 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:

(in millions)	Three months ended March 31,	
	2020	2019
United States - Janssen's share of profits (included in cost of products sold)	\$ 450	\$ 386
International - AbbVie's share of profits (included in net revenues)	266	193
Global - AbbVie's share of other costs (included in respective line items)	70	72

AbbVie's receivable from Janssen, included in accounts receivable, net, was \$298 million at March 31, 2020 and \$235 million at December 31, 2019. AbbVie's payable to Janssen, included in accounts payable and accrued liabilities, was \$445 million at March 31, 2020 and \$455 million at December 31, 2019.

## Note 6 Goodwill and Intangible Assets

### Goodwill

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

(in millions)	
Balance as of December 31, 2019	\$ 15,604
Foreign currency translation adjustments	(43)
Balance as of March 31, 2020	\$ 15,561

The company performs its annual goodwill impairment assessment in the third quarter, or earlier if impairment indicators exist. As of March 31, 2020, there were no accumulated goodwill impairment losses.

### Intangible Assets, Net

The following table summarizes intangible assets:

(in millions)	March 31, 2020			December 31, 2019		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Definite-lived intangible assets						
Developed product rights	\$ 19,538	\$ (6,687)	\$ 12,851	\$ 19,547	\$ (6,405)	\$ 13,142
License agreements	7,798	(2,446)	5,352	7,798	(2,291)	5,507
Total intangible assets, net	\$ 27,336	\$ (9,133)	\$ 18,203	\$ 27,345	\$ (8,696)	\$ 18,649

Amortization expense was \$444 million for the three months ended March 31, 2020 and \$385 million for the three months ended March 31, 2019. Amortization expense was included in cost of products sold in the condensed consolidated statements of earnings. No intangible asset impairment charges were recorded for the three months ended March 31, 2020 and 2019.

## Note 7 Restructuring Plans

AbbVie recorded restructuring charges of \$17 million for the three months ended March 31, 2020 and \$167 million for the three months ended March 31, 2019.

The following table summarizes the cash activity in the restructuring reserve for the three months ended March 31, 2020:

(in millions)	
Accrued balance as of December 31, 2019	\$ 140
Restructuring charges	17
Payments and other adjustments	(38)
Accrued balance as of March 31, 2020	\$ 119

## Note 8 Financial Instruments and Fair Value Measures

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### Risk Management Policy

See Note 11 to the company's Annual Report on Form 10-K for the year ended December 31, 2019 for a summary of AbbVie's risk management policy and use of derivative instruments.

### Financial Instruments

Various AbbVie foreign subsidiaries enter into foreign currency forward exchange contracts to manage exposures to changes in foreign exchange rates for anticipated intercompany transactions denominated in a currency other than the functional currency of the local entity. These contracts, with notional amounts totaling \$842 million at March 31, 2020 and \$957 million at December 31, 2019, are designated as cash flow hedges and are recorded at fair value. The durations of these forward exchange contracts were generally less than 18 months. Accumulated gains and losses as of March 31, 2020 are reclassified from accumulated other comprehensive income (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 proposed 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 and the resulting net gain was recognized in other comprehensive income (loss). This gain is reclassified to interest expense, net over the term of the related debt.

In the fourth quarter of 2019, the company entered into interest rate swap contracts with notional amounts totaling \$2.3 billion at March 31, 2020 and December 31, 2019. 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. The contracts were designated as cash flow hedges and are recorded at fair value. 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 gain or loss in the condensed consolidated statements of earnings and are generally offset by losses or gains on the foreign currency exposure being managed. These contracts had notional amounts totaling \$8.2 billion at March 31, 2020 and \$7.1 billion at December 31, 2019.

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 foreign currency forward exchange contracts with notional amounts totaling €971 million, £204 million and CHF62 million as well as €3.6 billion aggregate principal amount of senior Euro notes designated as net investment hedges at March 31, 2020 and December 31, 2019. 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.

AbbVie is a party to interest rate swap contracts designated as fair value hedges with notional amounts totaling \$6.3 billion at March 31, 2020 and \$10.8 billion at December 31, 2019. The effect of the hedge contracts is to change a fixed-rate interest obligation to a floating rate for that portion of the debt. AbbVie records the contracts at fair value and adjusts the carrying amount of the fixed-rate debt by an offsetting amount.

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

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

(in millions)	Fair value – Derivatives in asset position			Fair value – Derivatives in liability position		
	Balance sheet caption	December 31,		Balance sheet caption	December 31,	
		March 31, 2020	2019		March 31, 2020	2019
Foreign currency forward exchange contracts						
Designated as cash flow hedges	Prepaid expenses and other	\$ 35	\$ 3	Accounts payable and accrued liabilities	\$ —	\$ 14
Designated as cash flow hedges	Other assets	2	—	Other long-term liabilities	—	—
Designated as net investment hedges	Prepaid expenses and other	22	—	Accounts payable and accrued liabilities	1	24
Not designated as hedges	Prepaid expenses and other	43	19	Accounts payable and accrued liabilities	12	18
Interest rate swap contracts						
Designated as cash flow hedges	Other assets	—	3	Other long-term liabilities	44	—
Designated as fair value hedges	Prepaid expenses and other	—	—	Accounts payable and accrued liabilities	—	2
Designated as fair value hedges	Other assets	133	28	Other long-term liabilities	—	74
<b>Total derivatives</b>		<b>\$ 235</b>	<b>\$ 53</b>		<b>\$ 57</b>	<b>\$ 132</b>

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

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

(in millions)	Three months ended March 31,	
	2020	2019
Foreign currency forward exchange contracts		
Designated as cash flow hedges	\$ 49	\$ 3
Designated as net investment hedges	40	—
Interest rate swap contracts designated as cash flow hedges	(46)	—

Assuming market rates remain constant through contract maturities, the company expects to reclassify pre-tax gains of \$34 million into cost of products sold for foreign currency cash flow hedges, pre-tax losses of \$2 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 \$60 million for the three months ended March 31, 2020 and \$84 million for the three months ended March 31, 2019.

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

(in millions)	Statement of earnings caption	Three months ended March 31,	
		2020	2019
<b>Foreign currency forward exchange contracts</b>			
Designated as cash flow hedges	Cost of products sold	\$ —	\$ 40
Designated as net investment hedges	Interest expense, net	8	—
Not designated as hedges	Net foreign exchange loss	2	15
Treasury rate lock agreements designated as cash flow hedges	Interest expense, net	6	—
<b>Interest rate swap contracts</b>			
Designated as cash flow hedges	Interest expense, net	1	—
Designated as fair value hedges	Interest expense, net	360	112
Debt designated as hedged item in fair value hedges	Interest expense, net	(360)	(112)

### Fair Value Measures

The fair value hierarchy consists of the following three levels:

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

The following table summarizes the bases used to measure certain assets and liabilities carried at fair value on a recurring basis on the condensed consolidated balance sheet as of March 31, 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)
<b>Assets</b>				
Cash and equivalents	\$ 41,142	\$ 1,272	\$ 39,870	\$ —
Debt securities	3	—	3	—
Interest rate swap contracts	133	—	133	—
Foreign currency contracts	102	—	102	—
<b>Total assets</b>	<b>\$ 41,380</b>	<b>\$ 1,272</b>	<b>\$ 40,108</b>	<b>\$ —</b>
<b>Liabilities</b>				
Interest rate swap contracts	\$ 44	\$ —	\$ 44	\$ —
Foreign currency contracts	13	—	13	—
Contingent consideration	7,359	—	—	7,359
<b>Total liabilities</b>	<b>\$ 7,416</b>	<b>\$ —</b>	<b>\$ 57</b>	<b>\$ 7,359</b>

The following table summarizes the bases used to measure certain assets and liabilities carried at fair value on a recurring basis on the condensed consolidated balance sheet as of December 31, 2019:

(in millions)	Total	Basis of fair value measurement		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Assets</b>				
Cash and equivalents	\$ 39,924	\$ 1,542	\$ 38,382	\$ —
Debt securities	3	—	3	—
Equity securities	24	24	—	—
Interest rate swap contracts	31	—	31	—
Foreign currency contracts	22	—	22	—
<b>Total assets</b>	<b>\$ 40,004</b>	<b>\$ 1,566</b>	<b>\$ 38,438</b>	<b>\$ —</b>
<b>Liabilities</b>				
Interest rate swap contracts	\$ 76	\$ —	\$ 76	\$ —
Foreign currency contracts	56	—	56	—
Contingent consideration	7,340	—	—	7,340
<b>Total liabilities</b>	<b>\$ 7,472</b>	<b>\$ —</b>	<b>\$ 132</b>	<b>\$ 7,340</b>

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 as of March 31, 2020 was calculated using the following significant unobservable inputs:

	Range	Weighted average <sup>(a)</sup>
Discount rate	2.2% - 3.5%	2.8%
Probability of payment for unachieved milestones	16% - 57%	54%
Probability of payment for royalties by indication <sup>(b)</sup>	16% - 100%	89%
Projected year of payments	2020 - 2034	2027

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

(b) Excludes early stage indications with 0% estimated probability of payment and includes approved indications with 100% probability of payment. Excluding approved indications, the estimated probability of payment ranged from 16% to 56% at March 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:

(in millions)	Three months ended March 31,	
	2020	2019
Beginning balance	\$ 7,340	\$ 4,483
Change in fair value recognized in net earnings	72	169
Payments	(53)	—
Ending balance	\$ 7,359	\$ 4,652

The change in fair value recognized in net earnings is recorded in other expense, net in the condensed consolidated statements of earnings.

Certain financial instruments are carried at historical cost or some basis other than fair value. The book values, approximate fair values and bases used to measure the approximate fair values of certain financial instruments as of March 31, 2020 are shown in the table below:

(in millions)	Book value	Approximate fair value	Basis of fair value measurement		
			Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Liabilities</b>					
Short-term borrowings	\$ 6	\$ 6	\$ —	\$ 6	\$ —
Current portion of long-term debt and finance lease obligations, excluding fair value hedges	3,756	3,757	3,750	7	—
Long-term debt and finance lease obligations, excluding fair value hedges	62,974	66,176	66,157	19	—
Total liabilities	\$ 66,736	\$ 69,939	\$ 69,907	\$ 32	\$ —

The book values, approximate fair values and bases used to measure the approximate fair values of certain financial instruments as of December 31, 2019 are shown in the table below:

(in millions)	Book value	Approximate fair value	Basis of fair value measurement		
			Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Liabilities</b>					
Current portion of long-term debt and finance lease obligations, excluding fair value hedges	\$ 3,755	\$ 3,760	\$ 3,753	\$ 7	\$ —
Long-term debt and finance lease obligations, excluding fair value hedges	63,021	66,651	66,631	20	—
Total liabilities	\$ 66,776	\$ 70,411	\$ 70,384	\$ 27	\$ —

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 \$75 million as of March 31, 2020 and \$66 million as of December 31, 2019. No significant cumulative upward or downward adjustments have been recorded for these investments as of March 31, 2020.

#### Concentrations of Risk

Of total net accounts receivable, three U.S. wholesalers accounted for 70% as of March 31, 2020 and 68% as of December 31, 2019, and substantially all of AbbVie's net revenues in the United States were to these three wholesalers.

HUMIRA (adalimumab) is AbbVie's single largest product and accounted for approximately 55% of AbbVie's total net revenues for the three months ended March 31, 2020 and 57% for the three months ended March 31, 2019.

## Debt and Credit Facilities

### Allergan-Related Financing

In connection with the proposed acquisition of Allergan, in November 2019, the company issued \$30.0 billion aggregate principal amount of unsecured senior notes. Additional information on the terms of these notes is included in the company's Annual Report on Form 10-K for the year ended December 31, 2019. AbbVie expects to use the net proceeds to fund a portion of the aggregate cash consideration due to Allergan shareholders in connection with the proposed acquisition described in Note 4 and to pay related fees and expenses. Pending the consummation of the proposed Allergan acquisition, the net proceeds from the offering are permitted to be invested temporarily in short-term investments. All of the notes are subject to special mandatory redemption at a redemption price equal to 101% of the aggregate principal amount of the notes plus accrued and unpaid interest if the proposed acquisition of Allergan is not completed by January 30, 2021 or the company notifies the trustee in respect of the notes that it will not pursue the consummation of the proposed Allergan acquisition.

In July 2019, AbbVie entered into a term loan credit agreement with an aggregate principal amount of \$6.0 billion consisting of a \$1.5 billion 364-day term loan tranche, a \$2.5 billion three-year term loan tranche and a \$2.0 billion five-year term loan tranche. No amounts were drawn under the term loan credit agreement at March 31, 2020.

In October 2019, AbbVie commenced offers to exchange any and all outstanding notes of certain series issued by Allergan for up to \$15.5 billion aggregate principal amount and €3.7 billion aggregate principal amount of new notes to be issued by AbbVie and cash, subject to conditions including the closing of the pending acquisition of Allergan. Concurrently with the offers to exchange the Allergan notes for AbbVie notes, the company solicited consents to adopt certain proposed amendments to each of the indentures governing the Allergan notes to, among other things, eliminate substantially all of the restrictive covenants in such indentures. In November 2019, the company announced that the requisite number of consents had been received to adopt the proposed amendments with respect to all Allergan notes and that Allergan executed a supplemental indenture with respect to each Allergan indenture implementing the amendments, which will become operative only upon settlement of the exchange offers. The expiration of the exchange offers is expected to occur on or about the closing date of AbbVie's acquisition of Allergan.

### Short-Term Borrowings

There were no commercial paper borrowings outstanding as of March 31, 2020 and December 31, 2019. There were no commercial paper borrowings issued during the three months ended March 31, 2020. The weighted-average interest rate on commercial paper borrowings was 2.8% for the three months ended March 31, 2019.

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

## Note 9 Post-Employment Benefits

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

(in millions)	Defined benefit plans		Other post-employment plans	
	Three months ended March 31,		Three months ended March 31,	
	2020	2019	2020	2019
Service cost	\$ 92	\$ 67	\$ 12	\$ 6
Interest cost	61	64	9	6
Expected return on plan assets	(135)	(119)	—	—
Amortization of actuarial losses and prior service cost (credit)	55	26	6	(1)
Net periodic benefit cost	\$ 73	\$ 38	\$ 27	\$ 11

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

## Note 10 Equity

### Stock-Based Compensation

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

(in millions)	Three months ended March 31,	
	2020	2019
Cost of products sold	\$ 15	\$ 15
Research and development	92	72
Selling, general and administrative	112	102
Pre-tax compensation expense	219	189
Tax benefit	39	33
After-tax compensation expense	\$ 180	\$ 156

### Stock Options

During the three months ended March 31, 2020, primarily in connection with the company's annual grant, AbbVie granted 2.0 million stock options with a weighted-average grant-date fair value of \$12.14. As of March 31, 2020, \$16 million of unrecognized compensation cost related to stock options is expected to be recognized as expense over approximately the next two years.

### RSUs and Performance Shares

During the three months ended March 31, 2020, primarily in connection with the company's annual grant, AbbVie granted 5.0 million RSUs and performance shares with a weighted-average grant-date fair value of \$94.29. As of March 31, 2020, \$548 million of unrecognized compensation cost related to RSUs and performance shares is expected to be recognized as expense over approximately the next two years.

### Cash Dividends

The following table summarizes quarterly cash dividends declared during 2020 and 2019:

2020			2019		
Date Declared	Payment Date	Dividend Per Share	Date Declared	Payment Date	Dividend Per Share
02/20/20	05/15/20	\$ 1.18	11/01/19	02/14/20	\$ 1.18
			09/06/19	11/15/19	\$ 1.07
			06/20/19	08/15/19	\$ 1.07
			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 this program are recorded at acquisition cost, including related expenses, and are available for general corporate purposes.

Under this authorization, AbbVie repurchased 6 million shares for \$500 million during the three months ended March 31, 2020 and 4 million shares for \$300 million during the three months ended March 31, 2019. AbbVie's remaining stock repurchase authorization was approximately \$3.5 billion as of March 31, 2020.

## Accumulated Other Comprehensive Loss

The following table summarizes the changes in each component of accumulated other comprehensive loss, net of tax, for the three months ended March 31, 2020:

(in millions)	Foreign currency translation adjustments	Net investment hedging activities	Pension and post- employment benefits	Cash flow hedging activities	Total
Balance as of December 31, 2019	\$ (928)	\$ 9	\$ (2,965)	\$ 288	\$ (3,596)
Other comprehensive income (loss) before reclassifications	(227)	78	8	4	(137)
Net losses (gains) reclassified from accumulated other comprehensive loss	—	(6)	48	(6)	36
Net current-period other comprehensive income (loss)	(227)	72	56	(2)	(101)
Balance as of March 31, 2020	\$ (1,155)	\$ 81	\$ (2,909)	\$ 286	\$ (3,697)

Other comprehensive loss for the three months ended March 31, 2020 included foreign currency translation adjustments totaling a loss of \$227 million, which was principally due to the impact of the weakening of the Euro on the translation of the company's Euro-denominated assets.

The following table summarizes the changes in each component of accumulated other comprehensive loss, net of tax, for the three months ended March 31, 2019:

(in millions)	Foreign currency translation adjustments	Net investment hedging activities	Pension and post- employment benefits	Marketable security activities	Cash flow hedging activities	Total
Balance as of December 31, 2018	\$ (830)	\$ (65)	\$ (1,722)	\$ (10)	\$ 147	\$ (2,480)
Other comprehensive income (loss) before reclassifications	(103)	65	5	7	5	(21)
Net losses (gains) reclassified from accumulated other comprehensive loss	—	—	20	—	(35)	(15)
Net current-period other comprehensive income (loss)	(103)	65	25	7	(30)	(36)
Balance as of March 31, 2019	\$ (933)	\$ —	\$ (1,697)	\$ (3)	\$ 117	\$ (2,516)

Other comprehensive loss for the three months ended March 31, 2019 included foreign currency translation adjustments totaling a loss of \$103 million, which was principally due to the impact of the weakening of the Euro on the translation of the company's Euro-denominated assets.

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

(in millions) (brackets denote gains)	Three months ended March 31,	
	2020	2019
<b>Net investment hedging activities</b>		
Gains on derivative amount excluded from effectiveness testing <sup>(a)</sup>	\$ (8)	\$ —
Tax expense	2	—
<b>Total reclassifications, net of tax</b>	<b>\$ (6)</b>	<b>\$ —</b>
<b>Pension and post-employment benefits</b>		
Amortization of actuarial losses and other <sup>(b)</sup>	\$ 61	\$ 25
Tax benefit	(13)	(5)
<b>Total reclassifications, net of tax</b>	<b>\$ 48</b>	<b>\$ 20</b>
<b>Cash flow hedging activities</b>		
Gains on foreign currency forward exchange contracts <sup>(c)</sup>	\$ —	\$ (40)
Gains on treasury rate lock agreements and interest rate swap contracts <sup>(a)</sup>	(7)	—
Tax expense	1	5
<b>Total reclassifications, net of tax</b>	<b>\$ (6)</b>	<b>\$ (35)</b>

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

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

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

## Note 11 Income Taxes

The effective tax rate was 3% for the three months ended March 31, 2020 and 2019. The effective tax rate in each period differed from the U.S. statutory tax rate of 21% principally due to the benefit from 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 and business development activities. The effective tax rate for the three months ended March 31, 2020 included the beneficial tax impact of a change in tax rate in a foreign jurisdiction, while the effective tax rate for the three months ended March 31, 2019 included a tax benefit related to the favorable resolution of various tax positions.

Due to the potential for resolution of federal, state and foreign examinations and the expiration of various statutes of limitations, it is reasonably possible that the company's gross unrecognized tax benefits balance may change within the next 12 months by up to \$50 million.

## Note 12 Legal Proceedings and Contingencies

AbbVie is subject to contingencies, such as various claims, legal proceedings and investigations regarding product liability, intellectual property, commercial, securities and other matters that arise in the normal course of business. 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. The recorded accrual balance for litigation was approximately \$300 million as of March 31, 2020 and \$290 million as of December 31, 2019. Initiation of new legal proceedings or a change in the status of existing proceedings may result in a change in the estimated loss accrued by AbbVie. While it is not feasible to predict the outcome of all proceedings and exposures with certainty, management believes that their ultimate disposition should not have a material adverse effect on AbbVie's consolidated financial position, results of operations or cash flows.

Subject to certain exceptions specified in the separation agreement by and between Abbott Laboratories (Abbott) and AbbVie, AbbVie assumed the liability for, and control of, all pending and threatened legal matters related to its business, including liabilities for any claims or legal proceedings related to products that had been part of its business, but were discontinued prior to the

distribution, as well as assumed or retained liabilities, and will indemnify Abbott for any liability arising out of or resulting from such assumed legal matters.

One lawsuit against Unimed Pharmaceuticals, LLC, Solvay Pharmaceuticals, Inc. (a company Abbott acquired in February 2010 and now known as AbbVie Products LLC) and others remains pending in the United States District Court for the Northern District of Georgia for pre-trial purposes under the Multi-District Litigation (MDL) Rules as *In re: AndroGel Antitrust Litigation*, MDL No. 2084. This case, brought by a direct AndroGel purchaser, generally alleges Solvay's 2006 patent litigation settlement agreements and related agreements with three generic companies violate federal antitrust laws. The plaintiff seeks monetary damages and attorneys' fees.

In September 2014, the FTC filed a lawsuit, *FTC v. AbbVie Inc., et al.*, against AbbVie and others in the United States District Court for the Eastern District of Pennsylvania, alleging that the 2011 patent litigation with two generic companies regarding AndroGel was sham litigation and the settlements of that litigation violated federal antitrust law. In May 2015, the court dismissed the FTC's settlement-related claim. In June 2018, following a bench trial, the court found for the FTC on its sham litigation claim and ordered a disgorgement remedy of \$448 million, plus prejudgment interest. The court denied the FTC's request for injunctive relief. AbbVie is appealing the court's liability and disgorgement rulings and, based on an assessment of the merits of that appeal, no liability has been accrued for this matter. The FTC is also appealing aspects of the court's trial ruling and the dismissal of its settlement-related claim. In July 2018, a purported class action was filed in the United States District Court for the Eastern District of Pennsylvania on behalf of direct AndroGel purchasers based on the trial court's ruling in the FTC's case. In September 2019, two individual direct AndroGel purchasers substituted in as the plaintiffs in that lawsuit and withdrew the class allegations. That case, which was pending as *Rochester Drug Co-Operative, Inc., et al. v. AbbVie Inc., et al.*, was settled in December 2019 and will be dismissed.

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, making allegations similar to those in *In re: AndroGel Antitrust Litigation (No. II)*, MDL No. 2084 (above) and *FTC v. AbbVie Inc.* (above).

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 consist of four individual plaintiff lawsuits and two consolidated purported class actions: one brought by Niaspan direct purchasers and one brought by Niaspan end-payers. 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 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 May 2018, the California Court of Appeal ruled that the District Attorney's Office may not bring monetary claims beyond the scope of Orange County, which the District Attorney's Office is appealing.

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 violate state and federal antitrust laws. The court consolidated these lawsuits as *In re: Humira (Adalimumab) Antitrust Litigation*.

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 September 2018, the Commissioner of the California Department of Insurance intervened in a *qui tam* lawsuit, *State of California and Lazaro Suarez v. AbbVie Inc., et al.*, brought under the California Insurance Frauds Prevention Act, in California Superior Court for Alameda County. The Department of Insurance's complaint alleges that, through patient and reimbursement support services and other services and items of value provided in connection with HUMIRA, AbbVie caused the submission of fraudulent commercial insurance claims for HUMIRA in violation of the California statute. The complaint seeks injunctive relief, an assessment of up to three times the amount of the claims at issue, and civil penalties. In addition, a federal securities lawsuit (*Holwill v. AbbVie Inc., et al.*) is pending 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 the conduct alleged in the Department of Insurance's complaint.

In February 2020, a shareholder derivative lawsuit that had previously been filed in the United States District Court for the Northern District of Illinois and then voluntarily dismissed was refiled in the United States District Court for the District of Delaware. The lawsuit, *Elfers v. Gonzalez, et al.*, alleges that certain AbbVie directors and officers breached their fiduciary duties in connection with HUMIRA patient and reimbursement support services and other services and items of value, as alleged in the State of California case discussed above, and in connection with the announcements of results of AbbVie's 2018 Dutch auction tender offer.

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. Plaintiffs seek compensatory and punitive damages.

Product liability cases were filed in which plaintiffs generally allege that AbbVie and other manufacturers of TRTs did not adequately warn about risks of certain injuries, primarily heart attacks, strokes and blood clots. Approximately 3,500 claims against AbbVie are consolidated for pre-trial purposes in the United States District Court for the Northern District of Illinois under the MDL Rules as *In re: Testosterone Replacement Therapy Products Liability Litigation*, MDL No. 2545. Approximately 175 claims against AbbVie are pending in various state courts. Plaintiffs generally seek compensatory and punitive damages. In November 2018, AbbVie entered into a Master Settlement Agreement with the Plaintiffs' Steering Committee in the MDL encompassing existing claims in all courts. All proceedings in pending cases are effectively stayed during the settlement administration process.

Product liability cases are pending in which plaintiffs generally allege that AbbVie did not adequately warn about risk of certain injuries, primarily various birth defects, arising from use of Depakote. Approximately 100 cases are pending in the United States District Court for the Southern District of Illinois, and approximately 14 others are pending in various federal and state courts. Plaintiffs generally seek compensatory and punitive damages. Approximately eighty percent of these pending cases, plus other unfiled claims, are subject to confidential settlement agreements and are expected to be dismissed with prejudice.

In March 2017, AbbVie filed a lawsuit, *AbbVie Inc. v. Novartis Vaccines and Diagnostics, Inc. and Grifols Worldwide Operations Ltd.*, in the United States District Court for the Northern District of California against Novartis Vaccines and Grifols Worldwide seeking a declaratory judgment that 11 HCV-related patents licensed to AbbVie in 2002 are invalid.

Pharmacylics LLC, a wholly owned subsidiary of AbbVie, is seeking to enforce its patent rights relating to ibrutinib capsules (a drug Pharmacylics sells under the trademark IMBRUVICA®). In February 2018 and March 2020, cases were filed in the United States District Court for the District of Delaware against the following defendants: Sun Pharma Global FZE and Sun Pharmaceutical Industries Ltd.; Zydus Worldwide DMCC and Cadila Healthcare Limited; and Sandoz Inc., and Lek Pharmaceuticals D.D. In each case, Pharmacylics alleges the defendant's proposed generic ibrutinib product infringes certain Pharmacylics patents and seeks declaratory and injunctive relief. Janssen Biotech, Inc. which is in a global collaboration with Pharmacylics concerning the development and marketing of IMBRUVICA, is the co-plaintiff in these suits.

Pharmacylics LLC, a wholly owned subsidiary of AbbVie, is seeking to enforce its patent rights relating to ibrutinib tablets (a drug Pharmacylics sells under the trademark IMBRUVICA®). Cases were filed in the United States District Court for the District of Delaware in March 2019 and March 2020 against Alvogen Pine Brook LLC and Natco Pharma Ltd., and in April 2020 against Zydus Worldwide DMCC and Cadila Healthcare Limited. In each case, Pharmacylics alleges defendants' proposed generic ibrutinib tablet product infringes certain Pharmacylics patents. Pharmacylics seeks declaratory and injunctive relief. Janssen Biotech, Inc. which is in a global collaboration with Pharmacylics concerning the development and marketing of IMBRUVICA, is the co-plaintiff in this suit.

## Note 13 Segment Information

AbbVie operates in one business segment—pharmaceutical products. The following table details AbbVie's worldwide net revenues:

(in millions)		Three months ended March 31,	
		2020	2019
<b>Immunology</b>			
HUMIRA	United States	\$ 3,656	\$ 3,215
	International	1,047	1,231
	Total	\$ 4,703	\$ 4,446
SKYRIZI	United States	\$ 266	\$ —
	International	34	—
	Total	\$ 300	\$ —
RINVOQ	United States	\$ 82	\$ —
	International	4	—
	Total	\$ 86	\$ —
<b>Hematologic Oncology</b>			
IMBRUVICA	United States	\$ 966	\$ 829
	Collaboration revenues	266	193
	Total	\$ 1,232	\$ 1,022
VENCLEXTA	United States	\$ 201	\$ 105
	International	116	46
	Total	\$ 317	\$ 151
<b>HCV</b>			
MAVYRET	United States	\$ 234	\$ 403
	International	325	387
	Total	\$ 559	\$ 790
VIEKIRA	International	\$ 5	\$ 25
<b>Other Key Products</b>			
Creon	United States	\$ 276	\$ 227
Lupron	United States	\$ 195	\$ 191
	International	38	38
	Total	\$ 233	\$ 229
Synthroid	United States	\$ 205	\$ 182
Synagis	International	\$ 270	\$ 287
Duodopa	United States	\$ 25	\$ 22
	International	99	89
	Total	\$ 124	\$ 111
Sevoflurane	United States	\$ 16	\$ 17
	International	63	75
	Total	\$ 79	\$ 92
Kaletra	United States	\$ 14	\$ 13
	International	72	65
	Total	\$ 86	\$ 78
ORILISSA	United States	\$ 30	\$ 13
	International	1	—
	Total	\$ 31	\$ 13
AndroGel	United States	\$ 8	\$ 74
All other		\$ 105	\$ 101
Total net revenues		\$ 8,619	\$ 7,828



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

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The following is a discussion and analysis of the financial condition of AbbVie Inc. (AbbVie or the company) as of March 31, 2020 and December 31, 2019 and the results of operations for the three months ended March 31, 2020 and 2019. This commentary should be read in conjunction with the Condensed Consolidated Financial Statements and accompanying notes appearing in Item 1, "Financial Statements and Supplementary Data."

### EXECUTIVE OVERVIEW

#### Company Overview

AbbVie is a global, research-based biopharmaceutical company. 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 focused on treating conditions such as chronic autoimmune diseases in rheumatology, gastroenterology and dermatology; oncology, including blood cancers; virology, including hepatitis C virus (HCV) and human immunodeficiency virus (HIV); neurological disorders, such as Parkinson's disease; metabolic diseases, including thyroid disease and complications associated with cystic fibrosis; pain associated with endometriosis; as well as other serious health conditions. AbbVie also has a pipeline of promising new medicines in clinical development across such important medical specialties as immunology, oncology and neuroscience, with additional targeted investment in cystic fibrosis and women's health.

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. In the United States, AbbVie distributes pharmaceutical products principally through independent wholesale distributors, with some sales directly to pharmacies and patients. 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 30,000 employees. AbbVie operates in one business segment—pharmaceutical products.

On June 25, 2019, AbbVie announced that it entered into a definitive transaction agreement under which AbbVie will acquire Allergan plc (Allergan). See Note 4 to the Condensed Consolidated Financial Statements for additional information on the proposed acquisition.

#### 2020 Strategic Objectives

AbbVie's mission is to be an innovation-driven, patient-focused specialty biopharmaceutical company capable of achieving top-tier financial performance through outstanding execution and a consistent stream of innovative new medicines. AbbVie intends to continue to advance its mission in a number of ways, including: (i) growing revenues by diversifying revenue streams, ensuring strong commercial execution of new product launches and driving late-stage pipeline assets to the market; (ii) continuing to invest and expand its pipeline in support of opportunities in immunology, oncology and neuroscience, with additional targeted investment in cystic fibrosis and women's health as well as continued investment in key on-market products; (iii) expanding operating margins; and (iv) returning cash to shareholders via a strong and growing dividend while also reducing incremental debt. In addition, AbbVie anticipates several regulatory submissions and key data readouts from key clinical trials in the next 12 months.

The combination of AbbVie and Allergan will create a diverse entity with leadership positions across immunology, hematologic oncology, aesthetics, neuroscience, women's health, eye care and virology. AbbVie's existing product portfolio and pipeline will be enhanced with numerous Allergan assets and Allergan's product portfolio will benefit from AbbVie's commercial strength, expertise and international infrastructure.

#### Financial Results

The company's financial performance for the three months ended March 31, 2020 included delivering worldwide net revenues of \$8.6 billion, operating earnings of \$3.6 billion, diluted earnings per share of \$2.02 and cash flows from operations of \$3.8 billion. Worldwide net revenues grew by 11% on a constant currency basis and reflected growth in the immunology portfolio from SKYRIZI, RINVOQ and the continued strength of HUMIRA in the U.S. as well as revenue growth from IMBRUVICA and VENCLEXTA. Additionally, net revenues included an inventory stocking benefit related to the COVID-19 pandemic. This stocking benefit is expected to reverse in the second quarter of 2020.

Diluted earnings per share was \$2.02 for the three months ended March 31, 2020 and included the following after-tax costs: (i) \$371 million related to the amortization of intangible assets; (ii) \$158 million of expenses related to the proposed Allergan

acquisition; (iii) \$115 million for milestones and other research and development (R&D) expenses; and (iv) \$72 million for the change in fair value of contingent consideration liabilities. 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 addition to these financial results, AbbVie continued to advance and augment its pipeline as further described below under the heading "Research and Development."

### **Impact of the Coronavirus Disease 2019 (COVID-19)**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States and around the world. In response to the growing public health crisis, AbbVie has partnered with global authorities to support the experimental use of the HIV medicine Kaletra/Aluvia (lopinavir/ritonavir) to determine its efficacy in the treatment of COVID-19. Additionally, AbbVie announced a donation of \$35 million to increase healthcare capacity, supply critical equipment and deliver food and essential supplies during the crisis. AbbVie 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 expects this matter could negatively impact its results of operations throughout the duration of the outbreak. The extent to which COVID-19 may impact AbbVie's financial condition and results of operations is uncertain.

### **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 pharmaceutical products and acquire or collaborate on compounds currently in development by other biotechnology or pharmaceutical companies.

AbbVie's pipeline currently includes approximately 60 compounds or indications in clinical development individually or under collaboration or license agreements and is focused on such important medical specialties as immunology, oncology and neuroscience along with targeted investments in cystic fibrosis and women's health. Of these programs, approximately 30 are in mid- and late-stage development.

The following sections summarize transitions of significant programs from Phase 2 development to Phase 3 development as well as developments in significant Phase 3 and registration programs. AbbVie expects multiple Phase 2 programs to transition into Phase 3 programs in the next 12 months.

#### ***Significant Programs and Developments***

##### *Immunology*

###### RINVOQ

- In February 2020, AbbVie announced top-line results from its second Phase 3 clinical trial of RINVOQ in adult patients with active psoriatic arthritis (PsA). Results from the SELECT-PsA 1 study, which evaluated RINVOQ versus placebo in patients who did not adequately respond to treatment with one or more non-biologic disease-modifying anti-rheumatic drugs (DMARDs), showed that both doses of RINVOQ met the primary and key secondary endpoints. The safety profile was consistent with that of previous studies across indications, with no new safety risks detected.

##### *Oncology*

###### IMBRUVICA

- In April 2020, AbbVie received U.S. Food and Drug Administration (FDA) approval for the use of IMBRUVICA in combination with rituximab for the treatment of previously untreated patients with chronic lymphocytic leukemia (CLL) or small lymphocytic lymphoma (SLL).

## VENCLEXTA

- In February 2020, AbbVie announced that the Phase 3 VIALE-C trial of VENCLEXTA in combination with low-dose cytarabine in newly-diagnosed patients with acute myeloid leukemia (AML) did not meet its primary endpoint.
- In March 2020, AbbVie announced that top-line results from its Phase 3 VIALE-A trial of VENCLEXTA in combination with azacitidine in patients with AML met its primary endpoints.
- In March 2020, AbbVie received European Commission (EC) approval of VENCLEXTA in combination with obinutuzumab for patients with previously untreated CLL.

### *Virology/Liver Disease*

## MAVYRET

- In March 2020, AbbVie announced that the EC granted marketing authorization for MAVYRET to shorten once-daily treatment duration from 12 to 8 weeks in treatment-naïve, compensated cirrhotic, chronic HCV patients with genotype 3 infection.

For a more comprehensive discussion of AbbVie's products and pipeline, see the company's Annual Report on Form 10-K for the year ended December 31, 2019.

## **RESULTS OF OPERATIONS**

### **Net Revenues**

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

(dollars in millions)	Three months ended		Percent change	
	March 31,		At actual currency rates	At constant currency rates
	2020	2019		
United States	\$ 6,158	\$ 5,270	16.8 %	16.8 %
International	2,461	2,558	(3.8)%	(2.0)%
Net revenues	\$ 8,619	\$ 7,828	10.1 %	10.7 %

The following table details AbbVie's worldwide net revenues:

(dollars in millions)		Three months ended March 31,		Percent change	
		2020	2019	At actual currency rates	At constant currency rates
<b>Immunology</b>					
HUMIRA	United States	\$ 3,656	\$ 3,215	13.7 %	13.7 %
	International	1,047	1,231	(14.9)%	(12.8)%
	Total	\$ 4,703	\$ 4,446	5.8 %	6.4 %
SKYRIZI	United States	\$ 266	\$ —	n/m	n/m
	International	34	—	n/m	n/m
	Total	\$ 300	\$ —	n/m	n/m
RINVOQ	United States	\$ 82	\$ —	n/m	n/m
	International	4	—	n/m	n/m
	Total	\$ 86	\$ —	n/m	n/m
<b>Hematologic Oncology</b>					
IMBRUVICA	United States	\$ 966	\$ 829	16.6 %	16.6 %
	Collaboration revenues	266	193	37.9 %	37.9 %
	Total	\$ 1,232	\$ 1,022	20.6 %	20.6 %
VENCLEXTA	United States	\$ 201	\$ 105	91.5 %	91.5 %
	International	116	46	>100.0	>100.0
	Total	\$ 317	\$ 151	>100.0	>100.0
<b>HCV</b>					
MAVYRET	United States	\$ 234	\$ 403	(42.0)%	(42.0)%
	International	325	387	(16.0)%	(14.7)%
	Total	\$ 559	\$ 790	(29.2)%	(28.6)%
VIEKIRA	International	\$ 5	\$ 25	(81.2)%	(80.6)%
<b>Other Key Products</b>					
Creon	United States	\$ 276	\$ 227	21.9 %	21.9 %
Lupron	United States	\$ 195	\$ 191	2.1 %	2.1 %
	International	38	38	(0.3)%	2.1 %
	Total	\$ 233	\$ 229	1.7 %	2.1 %
Synthroid	United States	\$ 205	\$ 182	12.3 %	12.3 %
Synagis	International	\$ 270	\$ 287	(5.6)%	(4.1)%
Duodopa	United States	\$ 25	\$ 22	10.2 %	10.2 %
	International	99	89	12.0 %	14.9 %
	Total	\$ 124	\$ 111	11.7 %	14.0 %
Sevoflurane	United States	\$ 16	\$ 17	(6.1)%	(6.1)%
	International	63	75	(15.8)%	(13.5)%
	Total	\$ 79	\$ 92	(14.0)%	(12.2)%
Kaletra	United States	\$ 14	\$ 13	3.2 %	3.2 %
	International	72	65	10.8 %	13.1 %
	Total	\$ 86	\$ 78	9.5 %	11.4 %
ORILISSA	United States	\$ 30	\$ 13	>100.0	>100.0
	International	1	—	>100.0	>100.0
	Total	\$ 31	\$ 13	>100.0	>100.0
AndroGel	United States	\$ 8	\$ 74	(89.1)%	(89.1)%
All other		\$ 105	\$ 101	2.8 %	4.4 %
<b>Total net revenues</b>		<b>\$ 8,619</b>	<b>\$ 7,828</b>	<b>10.1 %</b>	<b>10.7 %</b>

n/m – Not meaningful

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

Global HUMIRA sales increased 6% for the three months ended March 31, 2020 primarily driven by market growth across therapeutic categories and the timing of COVID-19 inventory stocking impacts, offset by direct biosimilar competition in certain international markets. In the United States, HUMIRA sales increased 14% for the three months ended March 31, 2020 driven by market growth across all indications. Additionally, U.S. HUMIRA sales in the first quarter included approximately \$65 million of



COVID-19 inventory stocking. Internationally, HUMIRA revenues decreased 13% for the three months ended March 31, 2020 primarily driven by direct biosimilar competition in certain international markets, partially offset by approximately \$35 million of COVID-19 inventory stocking.

Net revenues for SKYRIZI were \$300 million for the three months ended March 31, 2020 following the April 2019 regulatory approvals for the treatment of moderate to severe plaque psoriasis.

Net revenues for RINVOQ were \$86 million for the three months ended March 31, 2020 following the August 2019 FDA approval and December 2019 EC approval for the treatment of moderate to severe rheumatoid arthritis.

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 21% for the three months ended March 31, 2020 as a result of continued penetration of IMBRUVICA for patients with CLL as well as approximately \$45 million of COVID-19 inventory stocking.

Net revenues for VENCLEXTA increased by more than 100% for the three months ended March 31, 2020 primarily due to continued expansion of VENCLEXTA for the treatment of patients with first-line CLL and relapsed/refractory CLL.

Global MAVYRET sales decreased by 29% for the three months ended March 31, 2020 primarily driven by competitive dynamics in the U.S. and lower patient volumes in certain international markets.

Net revenues for Creon increased 22% for the three months ended March 31, 2020 primarily driven by continued market growth as well as approximately \$11 million of COVID-19 inventory stocking. Creon maintains market leadership in the pancreatic enzyme market.

### Gross Margin

(dollars in millions)	Three months ended March 31,		
	2020	2019	% change
Gross margin	\$ 6,677	\$ 6,134	9%
as a % of net revenues	77%	78%	

Gross margin as a percentage of net revenues decreased for the three months ended March 31, 2020 compared to the prior year. Gross margin percentage for the three months ended March 31, 2020 was unfavorably impacted by collaboration profit sharing arrangements for IMBRUVICA and VENCLEXTA as well as higher intangible asset amortization.

### Selling, General and Administrative

(dollars in millions)	Three months ended March 31,		
	2020	2019	% change
Selling, general and administrative	\$ 1,695	\$ 1,680	1%
as a % of net revenues	20%	21%	

Selling, general and administrative (SG&A) expenses as a percentage of net revenues decreased for the three months ended March 31, 2020 compared to the prior year. SG&A expense percentage for the three months ended March 31, 2020 was favorably impacted by leverage from revenue growth and lower restructuring charges compared to the prior year. These impacts were partially offset by higher product launch expenses, transaction costs associated with the proposed Allergan acquisition and charitable contributions to support COVID-19 global pandemic relief efforts.

## Research and Development and Acquired In-Process Research and Development

(dollars in millions)	Three months ended March 31,		
	2020	2019	% change
Research and development	\$ 1,379	\$ 1,289	7 %
as a % of net revenues	16%	16%	
Acquired in-process research and development	\$ —	\$ 155	(100)%

R&D expenses as a percentage of net revenues were flat for the three months ended March 31, 2020 compared to the prior year. R&D expenses included continued funding to support all stages of the company's emerging pipeline assets.

Acquired in-process research and development (IPR&D) expenses reflect upfront payments related to various collaborations. There were no individually significant transactions during the three months ended March 31, 2020 and 2019.

## Other Non-Operating Expenses

(in millions)	Three months ended March 31,	
	2020	2019
Interest expense	\$ 563	\$ 387
Interest income	(135)	(62)
Interest expense, net	\$ 428	\$ 325
Net foreign exchange loss	\$ 5	\$ 6
Other expense, net	72	135

Interest expense increased for the three months ended March 31, 2020 compared to the prior year primarily due to incremental interest and debt issuance costs associated with financing the proposed Allergan acquisition partially offset by the favorable impact of lower interest rates on the company's debt obligations.

Interest income increased for the three months ended March 31, 2020 compared to the prior year primarily due to a higher average cash and cash equivalents balance partially offset by the unfavorable impact of lower interest rates.

Other expense, net included charges related to changes in fair value of contingent consideration liabilities of \$72 million for the three months ended March 31, 2020 and \$169 million for the three months ended March 31, 2019. The fair value of contingent consideration liabilities is impacted by the passage of time and multiple other inputs, including the probability of success of achieving regulatory/commercial milestones, discount rates, the estimated amount of future sales of the acquired products and other market-based factors. For the three months ended March 31, 2020, the change in fair value represented the passage of time partially offset by higher discount rates. For the three months ended March 31, 2019, the change in fair value represented lower discount rates and the passage of time.

## Income Tax Expense

The effective tax rate was 3% for the three months ended March 31, 2020 and 2019. The effective tax rate in each period differed from the U.S. statutory tax rate of 21% principally due to the benefit from 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 and business development activities. The effective tax rate for the three months ended March 31, 2020 included the beneficial tax impact of a change in tax rate in a foreign jurisdiction, while the effective tax rate for the three months ended March 31, 2019 included a tax benefit related to the favorable resolution of various tax positions.

## FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

(in millions)	Three months ended March 31,	
	2020	2019
Cash flows provided by (used in):		
Operating activities	\$ 3,815	\$ 3,017
Investing activities	(129)	(27)
Financing activities	(2,422)	(5,383)

Operating cash flows for the three months ended March 31, 2020 increased compared to the prior year due to earnings growth and the timing of working capital cash flows.

Investing cash flows for the three months ended March 31, 2020 included capital expenditures of \$125 million, net sales and maturities of investment securities totaling \$13 million and payments made for acquisitions and investments of \$12 million. Investing cash flows for the three months ended March 31, 2019 included net sales and maturities of investment securities totaling \$400 million, payments made for acquisitions and investments of \$320 million and capital expenditures of \$107 million.

Financing cash flows included cash dividend payments of \$1.8 billion for the three months ended March 31, 2020 and \$1.6 billion for the three months ended March 31, 2019. The increase in cash dividend payments was driven by an increase in the quarterly dividend rate. On February 20, 2020, the board of directors declared a quarterly cash dividend of \$1.18 per share for stockholders of record at the close of business on April 15, 2020, payable on May 15, 2020. The timing, declaration, amount of and payment of any dividends by AbbVie in the future is within the discretion of its board of directors and will depend upon many factors, including AbbVie's financial condition, earnings, capital requirements of its operating subsidiaries, covenants associated with certain of AbbVie's debt service obligations, legal requirements, regulatory constraints, industry practice, ability to access capital markets and other factors deemed relevant by its board of directors.

The company's stock repurchase authorization permits purchases of AbbVie shares from time to time in open-market or private transactions at management's discretion. The program has no time limit and can be discontinued at any time. Under this authorization, AbbVie repurchased 6 million shares for \$500 million during the three months ended March 31, 2020 and 4 million shares for \$300 million during the three months ended March 31, 2019. AbbVie cash-settled \$201 million of its December 2018 open market purchases in January 2019.

There were no commercial paper borrowings outstanding as of March 31, 2020 and December 31, 2019. AbbVie may issue additional commercial paper or retire commercial paper to meet liquidity requirements as needed.

In connection with the proposed acquisition of Allergan, in July 2019, AbbVie entered into a \$6.0 billion term loan credit agreement. In October 2019, AbbVie commenced offers to exchange any and all outstanding notes of certain series issued by Allergan for up to \$15.5 billion aggregate principal amount and €3.7 billion aggregate principal amount of new notes to be issued by AbbVie and cash, subject to conditions including the closing of the proposed acquisition. See Note 8 to the Condensed Consolidated Financial Statements for additional information.

### 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.

AbbVie continues to do business with foreign governments in certain countries significantly impacted by the COVID-19 pandemic. AbbVie has assessed credit risk in these countries and currently does not believe the economic conditions in these countries will have a significant impact on the company's liquidity, cash flow or financial flexibility. However, if government funding were to become unavailable in these countries or if significant adverse changes in their reimbursement practices were to occur, AbbVie may not be able to collect the entire balance of receivables outstanding as of March 31, 2020. AbbVie will continue to monitor information as it becomes available with respect to COVID-19 and evaluate any expected impact on the company's 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 credit facility enables the company to borrow funds on an unsecured basis at variable interest rates and contains various covenants. At March 31, 2020, the company was in compliance with all covenants, and commitment fees under the credit facility were insignificant. No amounts were outstanding under the company's credit facility as of March 31, 2020 and December 31, 2019.

### *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 by issuing 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*

Following the announcement of the proposed acquisition of Allergan and the \$30.0 billion senior notes issuance, Moody's Investor Service affirmed its Baa2 senior unsecured long-term rating and Prime-2 short-term rating with a stable outlook. S&P Global Ratings revised its ratings outlook to negative from stable and expects to lower the issuer credit rating by one notch to BBB+ from A- and the short-term rating to A-2 from A-1 when the acquisition is complete.

Unfavorable changes to the ratings may have an adverse impact on future financing arrangements; however, they would not affect the company's ability to draw on its credit facility and would not result in an acceleration of scheduled maturities of any of the company's outstanding debt.

## CRITICAL ACCOUNTING POLICIES

A summary of the company's significant accounting policies is included in Note 2, "Summary of Significant Accounting Policies" in AbbVie's Annual Report on Form 10-K for the year ended December 31, 2019. There have been no significant changes in the company's application of its critical accounting policies during the three months ended March 31, 2020.

## FORWARD-LOOKING STATEMENTS

Some statements in this quarterly report on Form 10-Q may be forward-looking statements for purposes of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "project," and similar expressions, among others, generally identify forward-looking statements. AbbVie cautions that these forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those indicated in the forward-looking statements. Such risks and uncertainties include, but are not limited to, challenges to intellectual property, competition from other products, difficulties inherent in the research and development process, adverse litigation or government action, and changes to laws and regulations applicable to our industry. Additional information about the economic, competitive, governmental, technological and other factors that may affect AbbVie's operations is set forth in Item 1A, "Risk Factors," in AbbVie's Annual Report on Form 10-K for the year ended December 31, 2019, which has been filed with the Securities and Exchange Commission. AbbVie notes these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. AbbVie undertakes no obligation to release publicly any revisions to forward-looking statements as a result of subsequent events or developments, except as required by law.

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

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For a discussion of the company's market risk, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in AbbVie's Annual Report on Form 10-K for the year ended December 31, 2019.

## ITEM 4. CONTROLS AND PROCEDURES

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### DISCLOSURE CONTROLS AND PROCEDURES

**Evaluation of disclosure controls and procedures.** The Chief Executive Officer, Richard A. Gonzalez, and the Chief Financial Officer, 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 Exchange Act is accumulated and communicated to AbbVie's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

**Changes in internal control over financial reporting.** There were no changes in AbbVie's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, AbbVie's internal control over financial reporting during the quarter ended March 31, 2020.

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

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

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

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

#### ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in AbbVie's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, except for the following:

***Public health outbreaks, epidemics or pandemics, such as the coronavirus (COVID-19), could adversely impact AbbVie's operations and financial condition.***

Public health outbreaks, epidemics or pandemics could adversely impact AbbVie's operations and financial condition. In March 2020, a novel strain of coronavirus (COVID-19) was designated a global pandemic and many countries, including the United States, declared national emergencies and implemented preventive measures such as travel bans and shelter in place or total lock-down orders. The spread of COVID-19 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.

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, but 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, the outbreak could have a material adverse impact on AbbVie's operations and financial condition.

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

(c) *Issuer Purchases of Equity Securities*

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1, 2020 – January 31, 2020	973 (1)	\$89.80 (1)	—	\$3,950,021,071
February 1, 2020 – February 29, 2020	2,453,899 (1)	\$83.66 (1)	2,452,782	\$3,744,836,046
March 1, 2020 – March 31, 2020	3,391,136 (1)	\$88.02 (1)	3,341,886	\$3,450,069,690
Total	5,846,008 (1)	\$86.19 (1)	5,794,668	\$3,450,069,690

1. In addition to AbbVie shares repurchased on the open market under a publicly announced program, if any, these shares also included the shares purchased on the open market for the benefit of participants in the AbbVie Employee Stock Purchase Plan – 973 in January; 1,117 in February; and 49,250 in March.

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

## ITEM 6. EXHIBITS

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

Exhibit No.	Exhibit Description
2.1	Amendment to the Transaction Agreement, dated as of May 5, 2020, between AbbVie Inc., Allergan plc and Venice Subsidiary, LLC.
10.1	Form of AbbVie Inc. Performance-Vested Restricted Stock Unit Agreement*
10.2	Form of AbbVie Inc. Performance Share Award Agreement*
10.3	Form of AbbVie Inc. Non-Employee Director RSU Agreement (US)*
10.4	Form of AbbVie Inc. Non-Qualified Stock Option Agreement*
10.5	Form of AbbVie Inc. Retention RSU Agreement - Ratable Vesting*
10.6	AbbVie Non-Employee Directors' Fee Plan, as amended and restated.*
31.1	Certification of Chief Executive Officer Required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).
31.2	Certification of Chief Financial Officer Required by Rule 13a-14(a) (17 CFR 240.13a-14(a)).
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements and notes from the AbbVie Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, filed on May 8, 2020, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Statements of Earnings; (ii) Condensed Consolidated Statements of Comprehensive Income; (iii) Condensed Consolidated Balance Sheets; (iv) Condensed Consolidated Statements of Equity; (v) Condensed Consolidated Statements of Cash Flows; and (vi) the Notes to Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (the cover page from the AbbVie Inc. Quarterly Report on Form 10-Q formatted as Inline XBRL and contained in Exhibit 101).

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

## SIGNATURE

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

### ABBVIE INC.

By: /s/ Robert A. Michael  
Robert A. Michael  
Executive Vice President,  
Chief Financial Officer

Date: May 8, 2020

AMENDMENT TO THE TRANSACTION AGREEMENT

This AMENDMENT TO THE TRANSACTION AGREEMENT (this "**Amendment**"), dated as of May 5, 2020, is by and among AbbVie Inc., a Delaware corporation ("**AbbVie**"), Venice Subsidiary LLC, a Delaware limited liability company and a direct wholly owned Subsidiary of AbbVie ("**Acquirer Sub**") and Allergan plc, an Irish public limited company, with registered number 527629 having its registered office at Clonshaugh Business and Technology Park, Coolock, Dublin, D17 E400, Ireland ("**Allergan**," and together with AbbVie and Acquirer Sub, the "**Parties**").

WHEREAS, pursuant to Section 10.5 of the Transaction Agreement, each of the Parties desires to amend the Transaction Agreement, dated as of June 25, 2019 by and among the Parties (the "**Transaction Agreement**") as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and for other good and available consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Definitions. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Transaction Agreement.

2. Amendment to Section 7.6. Section 7.6 of the Transaction Agreement is hereby amended and restated in its entirety to read as follows:

AbbVie shall take all necessary action to cause, effective at the Effective Time, (a) the number of members of the AbbVie Board to be increased by one and (b) the vacancy created by the foregoing clause (a) to be filled by one individual, to be designated by mutual agreement of AbbVie and Allergan prior to the Effective Time, who is serving as a director of Allergan immediately prior to the Effective Time, and who is independent with respect to AbbVie.

3. Governing Law. This Amendment and all Actions based upon, arising out of or relating to this Amendment shall be governed by, and construed in accordance with, the Laws of the State of Delaware; provided, however, that the Acquisition and the Scheme and matters related thereto (including matters related to the Takeover Rules) shall, to the extent required by the Laws of Ireland, and the interpretation of the duties of directors of Allergan shall, be governed by, and construed in accordance with, the Laws of Ireland.

4. Counterparts. This Amendment may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement, and each Party may enter into this Amendment by executing a counterpart and delivering it to the other Parties (by hand delivery, facsimile process, e-mail or otherwise).

5. Effect on the Transaction Agreement. Except as expressly set forth herein, this Amendment shall not modify or in any way affect any of the provisions of the Transaction

Agreement, which shall remain in full force and effect. From and after the date hereof, each reference to the term "Agreement," "hereof," "hereby," "herein," "hereunder," or words of like import in the Transaction Agreement shall be deemed to refer to the Transaction Agreement, as amended hereby. Notwithstanding the foregoing, all references in the Transaction Agreement, the AbbVie Disclosure Schedule and the Allergan Disclosure Schedule to "the date hereof" or "the date of this Agreement" shall refer to June 25, 2019.

**IN WITNESS** whereof the Parties have entered into this Amendment on the date specified above.

**GIVEN** under the common seal  
of **ALLERGAN PLC**

/s/ A. Robert. D. Bailey

Name: A. Robert D. Bailey

Title: EVP and Chief Legal Officer and Corporate Secretary



**IN WITNESS** whereof the Parties have entered into this Amendment on the date specified above.

**SIGNED** for and on behalf of  
**ABBVIE INC.** by its authorized signatory:

/s/ Robert A. Michael

Name: Robert A. Michael  
Title: Executive Vice President, Chief Financial Officer

**IN WITNESS** whereof the Parties have entered into this Amendment on the date specified above.

**SIGNED** for and on behalf of  
**VENICE SUBSIDIARY LLC** by its authorized signatory:

/s/ Scott T. Reents

Name: Scott T. Reents  
Title: Vice President

**ABBVIE INC.**  
**PERFORMANCE-VESTED RESTRICTED STOCK UNIT AGREEMENT**

On this «Grant\_Day» day of «Grant\_Month», 2020 (the “Grant Date”), AbbVie Inc. (the “Company”) hereby grants to «First Name» «MI» «Last Name» (the “Employee”) a Performance-Vested Restricted Stock Unit Award (the “Award”) of «NoShares12345» restricted stock units (the “Units”). The actual number of shares of Company common stock (the “Shares”) that may be issued under this Award will be determined in accordance with this Agreement by reference to the number of Units set forth above.

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

The terms and conditions of the Award are as follows:

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

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

- (vii) the relocation of the Employee's base office to a location that is more than 35 miles from the Employee's base office immediately prior to the Change in Control; or
- (viii) the failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement as contemplated in Section 5.
- (k) *Performance Determination Date*: The date on which the Committee determines whether or to what extent the Performance Vesting Requirements have been achieved.
- (l) *Performance Period*: The period(s) specified in the attached Schedule, over which achievement of the Performance Vesting Requirements is to be measured.
- (m) *Performance-Vested Shares*: The maximum number of Shares the Employee may receive under this Award based on the extent to which the Performance Vesting Requirements are achieved. In no event will the number of Performance-Vested Shares exceed 150% of the number of Units set forth in the first paragraph of this Agreement.
- (n) *Performance Vesting Requirements*: The performance goals described in the attached Schedule, which must be achieved for Units to vest and the corresponding Shares to be delivered under this Award.
- (o) *Program*: The AbbVie 2013 Incentive Stock Program.
- (p) *Retirement*:
- (i) Except as provided under (ii) or (iii) below, Retirement means either of the following:
- age 55 with 10 years of service; or
  - age 65 with at least three years of service.
- (ii) For Employees who (A) are not covered by (iii) below and (B) transferred to the Company directly from Abbott Laboratories either as a result of the Company's spin-off from Abbott Laboratories or during the period from January 1, 2013 through June 30, 2015 with the consent of each company's head of human resources and were hired into the Abbott Laboratories controlled group prior to January 1, 2004, Retirement means any of the following:
- age 50 with 10 years of service;
  - age 65 with at least three years of service; or
  - age 55 with an age and service combination of 70 points, where each year of age is one point and each year of service is one point.
- (iii) For participants in the AbbVie Pension Plan for Former BASF and Former Solvay Employees, Retirement means either of the following:
- age 55 with 10 years of service; or
  - age 65 with at least three years of service.
- (iv) For purposes of calculating service under this Section 1(p), except as otherwise provided by the Committee or its delegate: (A) service is earned only if performed for a member of the Controlled Group while that Controlled Group member is a part of the Controlled Group; and (B) for Employees who transferred to the Company directly from Abbott Laboratories during the period from January 1, 2013 through June 30, 2015 either as a result of the

Company's spin-off from Abbott Laboratories or with the consent of each company's head of human resources, service includes service with Abbott Laboratories that is counted for benefit calculation purposes under the AbbVie Pension Plan, the AbbVie Pension Plan for Former BASF and Former Solvay Employees, or another Company-sponsored pension plan, as applicable.

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

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

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

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

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

No phantom dividends will be paid or payable to or for the benefit of the Employee with respect to dividends or distributions for which the record date occurs on or after the applicable Delivery Date, the date the Employee has forfeited the Units or, in some cases due to applicable law, the date the Restrictions on the Units have lapsed. For purposes of compliance with the requirements of Code Section 409A, to the extent applicable, the specified date for payment of any phantom dividend to which the Employee is entitled under

this Section 2 is the calendar year in which the corresponding Shares vest and are distributed to the Employee. The Employee has no right to determine the year in which phantom dividends will be paid.

3. **Restrictions.** The Units (encompassing all of the Performance-Vested Shares) are subject to the forfeiture provisions in Sections 6 and 7 below. Shares are not earned and may not be sold, exchanged, assigned, transferred, pledged or otherwise disposed of (collectively, the "Restrictions") until an event or combination of events described in subsections 4(a), (b), (c) or (d) or Section 5 occurs.
4. **Lapse of Restrictions.** The number of Shares that become issuable under this Award, as set forth in this Section 4 and subject to the provisions of Sections 5, 6 and 7 below, will be calculated based on the extent to which the Performance Vesting Requirements described in the attached Schedule are achieved. The Committee may equitably adjust the Performance Vesting Requirements described in the attached Schedule in recognition of unusual or non-recurring events affecting the Company or any Subsidiary or the financial statements of the Company or any Subsidiary, in response to changes in applicable laws or regulations, or to account for items of gain, loss or expense determined to be unusual in nature or infrequent in occurrence or related to the acquisition or disposal of a business or assets or related to a change in accounting principles.
  - (a) **Performance.** If the Employee remains employed with the Company or its Subsidiaries as of the applicable vesting date specified below and has not experienced a Termination that triggers forfeiture, then:
    - (i) the Restrictions on up to one-third of the total number of Units may lapse on «**VESTING DATE 1**», as determined in accordance with the Schedule;
    - (ii) the Restrictions on up to an additional one-third of the total number of Units may lapse on «**VESTING DATE 2**», as determined in accordance with the Schedule; and
    - (iii) the Restrictions on up to an additional one-third of the total number of Units may lapse on «**VESTING DATE 3**», as determined in accordance with the Schedule.
  - (b) **Retirement.** The Restrictions will continue to apply in the event of the Employee's Termination due to Retirement, but may lapse thereafter in accordance with the provisions of subsection 4(a) above, in which case any Units not previously settled on a Delivery Date will be settled in the form of Shares on the Delivery Date(s) set forth in subsection 4(a) above occurring after the date of such Termination due to Retirement.
  - (c) **Death.** The Restrictions will lapse on the date of the Employee's Termination due to death, and any Units not previously settled on a Delivery Date will be settled (for the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution) in the form of Shares as soon as administratively possible after, and effective as of, the date of Termination due to death. The extent to which the Restrictions lapse, and the number of Shares to be delivered as a result, will be determined as follows:
    - (i) For any Performance Period that has begun but has not been completed as of the date of Termination due to death, the number of Shares to be delivered with respect to the applicable Award tranche will be determined based on the greater of (A) performance through the date of Termination measured against the Performance Vesting Requirements set forth in the Schedule using the most recent earnings information released before the date of Termination, and (B) the target vesting level for the applicable Award tranche.

- (ii) For any Performance Period that has not yet begun as of the date of Termination due to death, the number of Shares to be delivered will be determined using the target vesting level for the applicable Award tranche(s).
  - (d) **Disability.** The Restrictions will lapse on the date of the Employee's Termination due to Disability, and any Units not previously settled on a Delivery Date will be settled in the form of Shares as soon as administratively possible after, and effective as of, the date of Termination due to Disability. The extent to which the Restrictions lapse, and the number of Shares to be delivered as a result, will be determined as follows:
    - (i) For any Performance Period that has begun but has not been completed as of the date of Termination due to Disability, the number of Shares to be delivered with respect to the applicable Award tranche will be determined based on the greater of (A) performance through the date of Termination measured against the Performance Vesting Requirements set forth in the Schedule using the most recent earnings information released before the date of Termination, and (B) the target vesting level for the applicable Award tranche.
    - (ii) For any Performance Period that has not yet begun as of the date of Termination due to Disability, the number of Shares to be delivered will be determined using the target vesting level for the applicable Award tranche(s).
5. **Change in Control.** In the event of a Change in Control, the entity surviving such Change in Control or the ultimate parent thereof (referred to herein as the "*Surviving Entity*") may assume, convert or replace this Award with an award of at least equal value and terms and conditions not less favorable than the terms and conditions provided in this Agreement, in which case the new award will vest according to the terms of the applicable award agreement. If the Surviving Entity does not assume, convert or replace this Award, the Restrictions will lapse on the date of the Change in Control, as described below.

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

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

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



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

6. **Effect of Certain Bad Acts.** Any Units not previously settled will be cancelled and forfeited immediately if the Employee engages in activity that constitutes Cause, as determined in the sole opinion and discretion of the Committee or its delegate, whether or not the Employee experiences a Termination or remains employed with the Company or a Subsidiary.
7. **Forfeiture of Units.** In the event of the Employee's Termination for any reason other than those set forth in subsection 4(b), (c) or (d) or Section 5, any Units with respect to which Restrictions have not lapsed as of the date of Termination will be forfeited without consideration to the Employee or the Employee's Representative. In the event that the Employee is terminated by the Company other than for Cause and in a situation not covered by Section 5, the Company may, in its sole discretion, cause some or all of the Units to continue to be subject to the Restrictions, provided such Restrictions may lapse thereafter in accordance with the provisions of subsection 4(a), in which case such Units will be settled in the form of Shares on the Delivery Date(s) set forth in subsection 4(a) above as if the Employee had remained employed on such dates. In accepting this Award, the Employee acknowledges that in the event of Termination (whether or not in breach of local labor laws), the Employee's right to vest in the Units, if any, will cease and will not be extended by any notice period mandated under local law (e.g., active employment does not include a period of "garden leave" or similar period pursuant to local law) and that the Company shall have the exclusive discretion to determine when Termination occurs.
8. **Withholding Taxes.** To the extent permitted under applicable law and by the Company, the Employee may satisfy any U.S. or non-U.S. federal, state, local or other applicable taxes arising from the grant of the Award, the lapse of Restrictions or the delivery of Shares pursuant to this Agreement by:
  - (a) tendering a cash payment;
  - (b) having the Company withhold Shares from the Shares to be delivered to satisfy the applicable withholding tax;
  - (c) tendering Shares received in connection with the Award back to the Company; or
  - (d) delivering other previously acquired Shares having a Fair Market Value approximately equal to the amount to be withheld.

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

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

9. **No Right to Continued Employment.** This Agreement and the Employee's participation in the Program do not and shall not be interpreted to:
- (a) form an employment contract or relationship with the Company or its Subsidiaries;
  - (b) confer upon the Employee any right to continue in the employ of the Company or any of its Subsidiaries; or
  - (c) interfere with the ability of the Company or its Subsidiaries to terminate the Employee's employment at any time.
10. **Nature of Grant.** In accepting this Award, the Employee acknowledges and agrees that:
- (a) the Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
  - (b) this Award is a one-time benefit and does not create any contractual or other right to receive future grants of Units, benefits in lieu of Units, or other Program Benefits in the future, even if Units have been granted repeatedly in the past;
  - (c) all decisions with respect to future Unit grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;
  - (d) nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Employee;
  - (e) the Employee is voluntarily participating in the Program;
  - (f) the Units and Shares subject to the Units are:
    - (i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its Subsidiaries, and are outside the scope of the Employee's employment contract, if any;
    - (ii) not intended to replace any pension rights or compensation;
    - (iii) not part of the Employee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should they be considered as compensation for, or relating in any way to, past services for the Company or any of its Subsidiaries;
  - (g) the future value of the Shares underlying the Units is unknown and cannot be predicted with certainty;
  - (h) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from the Units resulting from Termination (for any reason whatsoever) and the Employee irrevocably releases the Company and its Subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim;
  - (i) the Units and the Benefits under the Program, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability; and

- (j) neither the Company nor any of its Subsidiaries shall be liable for any change in value of the Units, the amount realized upon settlement of the Units or the amount realized upon a subsequent sale of any Shares acquired upon settlement of the Units, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

**11. Data Privacy.**

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

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

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

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

**12. Form of Payment.** The Company may, in its sole discretion, settle the Employee's Units in the form of a cash payment to the extent settlement in Shares: (a) is prohibited under local law; (b) would require the Employee, the Company and/or its Subsidiaries to obtain the approval of any governmental and/or regulatory body in the Employee's country; (c) would result in adverse tax consequences for the Employee or the Company; or (d) is administratively burdensome. Alternatively, the Company may, in its sole discretion, settle the Employee's Units in the form of Shares but require the Employee to sell such Shares immediately or within a specified period of time following the Employee's Termination (in which case, this Agreement shall give the Company the authority to issue sales instructions on the Employee's behalf).

**13. Private Placement.** This Award is not intended to be a public offering of securities in the Employee's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this Award is not subject to the supervision of the local securities authorities.

**14. Exchange Controls.** As a condition to this Award, the Employee agrees to comply with any applicable foreign exchange rules and regulations.

**15. Compliance with Applicable Laws and Regulations.**

- (a) The Company shall not be required to issue or deliver any Shares pursuant to this Agreement pending compliance with all applicable federal and state securities and other laws (including any registration requirements or tax withholding requirements) and compliance with the rules and practices of any stock exchange upon which the Company's Shares are listed.
- (b) Regardless of any action the Company or its Subsidiaries take with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Employee's participation in the Program and legally applicable to the Employee or deemed by the Company or its Subsidiaries to be an appropriate charge to the Employee even if technically due by the Company or its Subsidiaries ("*Tax-Related Items*"), the Employee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Employee's responsibility and may exceed the amount actually withheld by the Company or its Subsidiaries, if any. The Employee further acknowledges

that the Company and/or its Subsidiaries: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Units, including, but not limited to, the grant, lapse of Restrictions or settlement of the Units, the issuance of Shares upon payment of the Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or Dividend Equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Units to reduce or eliminate the Employee's liability for Tax-Related Items or achieve any particular tax result. If the Employee has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Employee acknowledges that the Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction. If the Employee relocates to another country, the Company may establish special or alternative terms and conditions as necessary or advisable to comply with local laws, rules or regulations, to facilitate the operation and administration of the Award and the Program and/or to accommodate the Employee's relocation.

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

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

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

to which the Employee is entitled under this Agreement shall be treated as a separate payment; (b) except as otherwise provided in Section 13(a) of the Program, upon the lapse of Restrictions pursuant to Section 5 of this Agreement, any Units not previously settled on a Delivery Date shall be settled as soon as administratively possible after, and effective as of, the date of the Change in Control or the date of the Employee's Termination (as applicable); (c) the term "as soon as administratively possible" means a period of time that is within 60 days after the Termination, Disability or Change in Control (as applicable); and (d) the date of the Employee's Disability shall be determined by the Company in its sole discretion.

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

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

21. **Addendum.** This Award shall be subject to any special terms and conditions set forth in any Addendum to this Agreement for the Employee's country or jurisdiction. Moreover, if the Employee relocates to one of the countries or jurisdictions included in the Addendum, the special terms and conditions for such country or jurisdiction will apply to the Employee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Units and the Program (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Employee's relocation). The Addendum constitutes part of this Agreement.
22. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.
23. **Entire Agreement.** This Agreement and the Program constitute the entire agreement between the Employee and the Company regarding the Award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the Award. Except as expressly set forth herein, this Agreement (and any provision of this Agreement) may not be modified, changed or clarified by the parties, except in a writing specifying the modification, change or clarification signed by a duly authorized Company officer.
24. **Succession.** This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Employee, the Employee's Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.
25. **Language.** The Employee acknowledges and agrees that it is the Employee's express intent that this Agreement, the Program and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Employee is in a country where English is not an official language, the Employee acknowledges that he or she is sufficiently proficient in English or has had the ability to consult with an advisor who is sufficiently proficient in the English language, so as to allow the Employee to understand the terms and conditions of this Agreement, the Program and any other documents related to the Award. If the Employee has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
26. **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any state's conflict of laws principles. For any legal action relating to this Agreement, the parties to this Agreement consent to the exclusive jurisdiction and venue of the federal courts of the Northern District of Illinois, USA, and, if there is no jurisdiction in federal court, to the exclusive jurisdiction and venue of the state courts in Lake County, Illinois, USA.

\* \* \*

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

ABBVIE INC.

By \_\_\_\_\_

Title \_\_\_\_\_

EMPLOYEE

By: SIGNED BY ELECTRONIC SIGNATURE

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



**SCHEDULE**  
**PERFORMANCE PERIODS AND PERFORMANCE VESTING REQUIREMENTS**

Any capitalized term used but not defined in this Schedule has the meaning set forth in the Agreement or the Program. This Schedule is subject to, and is to be interpreted in combination with, all of the terms and conditions of the Agreement and the Program.

**Award Tranches and Performance Periods**

The Award is subject to vesting in one-third increments over three years with each vesting tranche tied to the Company's return on invested capital ("ROIC") performance for the applicable year (2020, 2021 or 2022), as described in the Agreement and the Performance Vesting Requirements section below. The vesting tranches and corresponding Performance Periods are as follows:

<b>Vesting Tranche</b>	<b>Units Subject to Vesting</b>	<b>Performance Period</b>
Tranche 1	1/3 of Units	January 1-December 31, 2020
Tranche 2	1/3 of Units	January 1-December 31, 2021
Tranche 3	1/3 of Units	January 1-December 31, 2022

**Performance Vesting Requirements**

The vesting for each tranche will be determined based on the Company's ROIC for the applicable Performance Period relative to the ROIC for that period of the companies (other than the Company) that were constituents of either the S&P Pharmaceutical, Biotech, and Life Science Index or the NYSE Arca Pharmaceutical Index on January 1, 2020 and on the last day of the applicable Performance Period (the "Index Companies").

Within sixty-five (65) days after the end of each Performance Period, the Committee will determine the Company's relative ROIC percentile rank for the applicable Performance Period. For purposes of determining Performance Period ROIC results, ROIC means non-GAAP (or equivalent) ROIC measured using the annual results disclosed in each company's earnings release issued most recently prior to the Performance Determination Date. If an Index Company has not issued its annual earnings release prior to the Performance Determination Date, then its results shall be based on the most currently available four quarters of financial information.

The Company's relative ROIC percentile rank for the applicable Performance Period determines the vesting percentage for the Units covered by the applicable tranche, such that:

- a. A ranking at or above the 85th percentile results in vesting at 200% of target level;
- b. A ranking from the 75th percentile up to the 85th percentile results in vesting at 175% of target level;
- c. A ranking from the 65th percentile up to the 75th percentile results in vesting at 150% of target level;
- d. A ranking from the 50th percentile up to the 65th percentile results in vesting at target level;
- e. A ranking from the 40th percentile up to the 50th percentile results in vesting at 50% of target level; and
- f. A ranking below the 40th percentile results in 0% vesting.

The vesting percentage derived from the ranking determination will be multiplied by the number of Units covered by the applicable tranche, yielding the number of Shares deliverable under the Agreement as a result of the application of the Performance Vesting Requirements for the applicable Performance Period.

## ADDENDUM

In addition to the terms and conditions set forth in the Agreement, the Award is subject to the following terms and conditions. If the Employee is employed in a country or jurisdiction identified in this Addendum, the additional terms and conditions for such country or jurisdiction will apply. If the Employee relocates to one of the countries or jurisdictions identified in this Addendum, the special terms and conditions for such country or jurisdiction will apply to the Employee, to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Units and the Program (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Employee's relocation).

All defined terms contained in this Addendum shall have the same meaning as set forth in the Program.

### **EUROPEAN UNION ("EU") / EUROPEAN ECONOMIC AREA ("EEA") COUNTRIES, SWITZERLAND AND THE UNITED KINGDOM**

Data Privacy. The following provision replaces Section 11 of the Agreement in its entirety:

Pursuant to applicable personal data protection laws, the Employee is hereby notified of the following in relation to the Employee's Personal Data (defined below) and the collection, processing and transfer in electronic or other form of such Personal Data in relation to the administration of the Program. The collection, processing and transfer of Personal Data is necessary for the legitimate purpose of the administration of the Program by the Company and the Subsidiary that employs the Employee and the Employee's participation in the Program, and the Employee's denial and/or objection to the collection, processing and transfer of Personal Data may affect his or her participation in the Program. As such, by participating in the Program, the Employee acknowledges the collection, use, processing and transfer of Personal Data as described herein.

The Employee understands that the Company and the Subsidiary that employs the Employee may hold certain personally identifiable information about the Employee, specifically his or her name, home address, email address and telephone number, date of birth, social security, passport or other identification number (resident registration number), salary, nationality, job title, any Shares or directorships held in the Company or its Subsidiaries, details of all entitlements to Shares (or cash) granted, awarded, canceled, vested, unvested or outstanding in the Employee's favor, for the purpose of managing and administering the Program ("*Personal Data*"). The Personal Data may be provided by the Employee or collected, where lawful, from third parties. The Company or the Subsidiary that employs the Employee each act as controllers of the Personal Data and will process the Personal Data in this context for the exclusive legitimate purpose of implementing, administering and managing the Employee's participation in the Program and meeting related legal obligations associated with these actions.

The processing will take place through electronic and non-electronic means according to logics and procedures correlated to the purposes for which the Personal Data was collected and with confidentiality and security provisions as set forth by applicable laws and regulations. Personal Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Program and other aspects of the employment relationship and for the Employee's participation in the Program.

The Company and the Subsidiary that employs the Employee will transfer Personal Data amongst themselves and their affiliates as necessary for the purpose of implementation, administration and management of the Employee's participation in the Program, and the Company and the Subsidiary that employs the Employee may each further transfer Personal Data to third parties assisting the Company or the Subsidiary that employs the Employer in the implementation, administration and management of the Program, including E\*TRADE Financial Corporate Services Inc. and its affiliates ("*E\*TRADE*") or any successor or other third party that the Company, the Subsidiary that employs the Employee or E\*TRADE (or its successor) may engage to assist with the administration of the Program from time to time. These recipients may be located in the EU, EEA, Switzerland, the United Kingdom or elsewhere throughout the world, such as the United States. By participating in the Program, the Employee understand that these recipients may receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for purposes of

implementing, administering and managing the Employee's participation in the Program, including any requisite transfer of such Personal Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Employee's behalf to a broker or other third party with whom the Employee may elect to deposit any Shares acquired pursuant to the Program. The Employee further understands that he or she may request a list with the names and addresses of any potential recipients of Personal Data by contacting the Employee's local Human Resources manager or AbbVie's Human Resources Department. When transferring Personal Data to these potential recipients, the Company and the Subsidiary that employs the Employee may provide appropriate safeguards in accordance with EU Standard Contractual Clauses, or other legally binding and permissible arrangements. The Employee may request a copy of such safeguards from the Employee's local Human Resources manager or AbbVie's Human Resources Department.

To the extent provided by law, the Employee may, at any time, have the right to request: access to Personal Data, rectification of Personal Data, erasure of Personal Data, restriction of processing of Personal Data, and portability of Personal Data. The Employee may also have the right to object, on grounds related to a particular situation, to the processing of Personal Data, in any case without cost, by contacting in writing the Employee's local Human Resources manager or AbbVie's Human Resources Department. The Employee understands, however, that the only consequence of refusing to provide Personal Data is that the Company may not be able to grant the Units or other equity awards or administer or maintain such awards.

When the Company and the Subsidiary that employs the Employee no longer need to use Personal Data for the purposes above or do not need to retain it for compliance with any legal or regulatory purpose, each will take reasonable steps to remove Personal Data from their systems and/or records containing the Personal Data and/or take steps to properly anonymize it so that the Employee can no longer be identified from it.

#### **ALGERIA**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

#### **AUSTRALIA**

1. Breach of Law. Notwithstanding anything to the contrary in the Agreement or the Program, the Employee will not be entitled to, and shall not claim any benefit (including without limitation a legal right) under the Program if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth), any other provision of that Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits.

2. Australian Offer Document. In addition to the Agreement and the Program, the Employee must review the Australian Offer Document for additional important information pertaining to the Award. This document can be accessed via the E\*TRADE website at <https://us.etrade.com/stock-plans>. By accepting the Award, the Employee acknowledges and confirms that the Employee has reviewed the Australian Offer Document.

3. Tax Information. The Program is a program to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in that Act).

#### **BAHRAIN**

Securities Notification. This Agreement does not constitute advertising or an offering of securities in Bahrain, nor does it constitute an allotment of securities in Bahrain. Any Shares issued pursuant to the Units under the Program shall be deposited into a brokerage account in the United States. In no event will Shares be issued or delivered in Bahrain. The issuance of Shares pursuant to the Units described herein has not and will not be registered in Bahrain and hence, the Shares described herein may not be admitted or used for offering, placement or public circulation in Bahrain. Accordingly, the Employee may not make any public advertising or announcements regarding the Units or Shares in Bahrain, promote these Shares to legal entities or individuals in Bahrain, or sell Shares directly to other legal

entities or individuals in Bahrain. The Employee acknowledges and agrees that Shares may only be sold outside of Bahrain and on a stock exchange on which AbbVie is traded.

## **BRAZIL**

Labor Law Acknowledgment. The Employee agrees, for all legal purposes, (i) the Benefits provided under the Agreement and the Program are the result of commercial transactions unrelated to the Employee's employment; (ii) the Agreement and the Program are not a part of the terms and conditions of the Employee's employment; and (iii) the income from the Units, if any, is not part of the Employee's remuneration from employment.

## **CANADA**

1. Settlement in Shares. Notwithstanding anything to the contrary in the Agreement, Addendum or the Program, the Employee's Award shall be settled only in Shares (and may not be settled in cash).
2. Resale Restriction. The Employee is permitted to sell Shares acquired upon settlement of the Units through the designated broker appointed under the Program, provided the resale of Shares acquired under the Program takes place outside of Canada through the facilities of the stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.
3. English Language. The parties to the Agreement acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. ***Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.***

## **CHILE**

Private Placement. The following provision shall replace Section 13 of the Agreement:

The grant of the Units hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement.

- a) The starting date of the offer will be the Grant Date (as defined in the Agreement), and this offer conforms to General Ruling no. 336 of the Chilean Commission for the Financial Market;
  - b) The offer deals with securities not registered in the registry of securities or in the registry of foreign securities of the Chilean Commission for the Financial Market, and therefore such securities are not subject to its oversight;
  - c) The issuer is not obligated to provide public information in Chile regarding the foreign securities, as such securities are not registered with the Chilean Commission for the Financial Market; and
  - d) The foreign securities shall not be subject to public offering as long as they are not registered with the corresponding registry of securities in Chile.
- a) *La fecha de inicio de la oferta será el de la fecha de otorgamiento (o "Grant Date", según este término se define en el documento denominado "Agreement") y esta oferta se acoge a la norma de Carácter General n° 336 de la Comisión para el Mercado Financiero Chilena;*
  - b) *La oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la Comisión para el Mercado Financiero Chilena, por lo que tales valores no están sujetos a la fiscalización de ésta;*
  - c) *Por tratar de valores no inscritos no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores; y*

d) *Esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.*

## **CHINA**

Foreign Exchange Control Laws. The following provisions shall govern the Employee's participation in the Program if the Employee is a national of the People's Republic of China ("*China*") resident in mainland China, or if determined to be necessary or appropriate by the Company in its sole discretion:

The Employee agrees to hold the Shares received upon settlement of the Units with the Company's designated broker. Upon a Termination, the Employee shall be required to sell all Shares issued pursuant to the Units within 180 days (or such shorter period as may be required by the State Administration of Foreign Exchange or the Company) of the Termination date and repatriate the sales proceeds to China in the manner designated by the Company. For purposes of the foregoing, the Company shall establish procedures for effectuating the forced sale of the Shares (including procedures whereby the Company may issue sale instructions on behalf of the Employee), and the Employee hereby agrees to comply with such procedures and take any and all actions as the Company determines, in its sole discretion, are necessary or advisable for purposes of complying with local laws, rules and regulations in China.

The Employee understands and agrees that the repatriation of dividends and sales proceeds may need to be effected through a special exchange control account established by the Company or its Subsidiaries, and the Employee hereby consents and agrees that dividends issued on Shares and sales proceeds from the sale of Shares acquired under the Program may be transferred to such account by the Company on the Employee's behalf prior to being delivered to the Employee. Dividends and/or sales proceeds may be paid to the Employee in U.S. dollars or local currency at the Company's discretion. If dividends and/or sales proceeds are paid to the Employee in U.S. dollars, the Employee understands that the Employee will be required to set up a U.S. dollar bank account in China so that the dividends or proceeds may be deposited into this account. If dividends and/or sales proceeds are paid to the Employee in local currency, the Employee acknowledges that the Company is under no obligation to secure any particular exchange conversion rate and that the Company may face delays in converting the dividends and/or proceeds to local currency due to exchange control restrictions. The Employee agrees to bear any currency fluctuation risk between the time dividends are issued or Shares are sold and the net proceeds are converted into local currency and distributed to the Employee. The Employee further agrees to comply with any other requirements that may be imposed by the Company or its Subsidiaries in China in the future in order to facilitate compliance with exchange control requirements in China. The Employee acknowledges and agrees that the processes and requirements set forth herein shall continue to apply following the Employee's Termination.

Neither the Company nor any of its Subsidiaries shall be liable for any costs, fees, lost interest or dividends or other losses the Employee may incur or suffer resulting from the enforcement of the terms of this Addendum or otherwise from the Company's operation and enforcement of the Program, the Agreement and the Units in accordance with Chinese law including, without limitation, any applicable State Administration of Foreign Exchange rules, regulations and requirements.

## **DENMARK**

The Act on Stock Options. Notwithstanding any provisions in the Agreement to the contrary, the treatment of the Units upon the Employee's Termination shall be governed by the Danish Act on the Use of Rights to Purchase or Subscribe for Shares etc. in Employment Relationships (the "*Stock Option Act*") as in effect at the time of the Employee's Termination (as determined by the Company, in its discretion, in consultation with legal counsel). The Employee acknowledges having received an "Employer Information Statement" in Danish, which is provided to comply with the Stock Option Act.

## **FINLAND**

Withholding of Tax-Related Items. Notwithstanding anything in Section 8 of the Agreement to the contrary, if the Employee is a local national of Finland, any Tax-Related Items shall be withheld only in cash from the Employee's

regular salary/wages or other amounts payable to the Employee in cash, or such other withholding methods as may be permitted under the Program and allowed under local law.

#### **FRANCE**

1. Nature of the Award. The Units are not granted under the French specific regime provided by Articles L225-197-1 and seq. of the French commercial code.

2. English Language. The parties to the Agreement acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. ***Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.***

#### **HONG KONG**

1. Settlement in Shares. Notwithstanding anything to the contrary in the Agreement, Addendum or the Program, the Award shall be settled only in Shares (and may not be settled in cash).

2. Lapse of Restrictions. If, for any reason, Shares are issued to the Employee within six months of the Grant Date, the Employee agrees that he or she will not sell or otherwise dispose of any such Shares prior to the six-month anniversary of the Grant Date.

3. IMPORTANT NOTICE, WARNING: The contents of the Agreement, the Addendum, the Program, and all other materials pertaining to the Units and/or the Program have not been reviewed by any regulatory authority in Hong Kong. The Employee is hereby advised to exercise caution in relation to the offer thereunder. If the Employee has any doubts about any of the contents of the aforesaid materials, the Employee should obtain independent professional advice.

4. Wages. The Units and Shares subject to the Units do not form part of the Employee's wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

#### **ISRAEL**

Trustee Arrangement. The Employee agrees to hold the Shares received upon settlement of the Units with the Company's designated broker. The Employee understands and agrees that upon the Employee's sale of Shares, unless otherwise determined by the Company, (a) the repatriation of sales proceeds shall be effected through a trustee in Israel engaged by the Company (the "Trustee"), (b) the Trustee will withhold the requisite tax and other mandatory withholding (e.g., National Insurance payments) from the sales proceeds and (c) the Trustee will transfer the remaining sale proceeds (net of the requisite tax and other mandatory withholding) to the Employee. The Employee acknowledges and agrees that the process and requirements set forth herein shall continue to apply following the Employee's Termination.

#### **MEXICO**

1. Commercial Relationship. The Employee expressly acknowledges that the Employee's participation in the Program and the Company's grant of the Award does not constitute an employment relationship between the Employee and the Company. The Employee has been granted the Award as a consequence of the commercial relationship between the Company and the Subsidiary in Mexico that employs the Employee, and the Company's Subsidiary in Mexico is the Employee's sole employer. Based on the foregoing: (a) the Employee expressly acknowledges that the Program and the benefits derived from participation in the Program do not establish any rights between the Employee and the Subsidiary in Mexico that employs the Employee; (b) the Program and the benefits derived from participation in the Program are not part of the employment conditions and/or benefits provided by the Subsidiary in Mexico that employs the Employee; and (c) any modifications or amendments of the Program or benefits granted thereunder by the Company, or a termination of the Program by the Company, shall not constitute

a change or impairment of the terms and conditions of the Employee's employment with the Subsidiary in Mexico that employs the Employee.

2. **Extraordinary Item of Compensation.** The Employee expressly recognizes and acknowledges that the Employee's participation in the Program is a result of the discretionary and unilateral decision of the Company, as well as the Employee's free and voluntary decision to participate in the Program in accordance with the terms and conditions of the Program, the Agreement and this Addendum. As such, the Employee acknowledges and agrees that the Company, in its sole discretion, may amend and/or discontinue the Employee's participation in the Program at any time and without any liability. The value of the Units is an extraordinary item of compensation outside the scope of the Employee's employment contract, if any. The Units are not part of the Employee's regular or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or any similar payments, which are the exclusive obligations of the Company's Subsidiary in Mexico that employs the Employee.

### **MOROCCO**

**Settlement in Cash.** Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

### **NETHERLANDS**

**Waiver of Termination Rights.** The Employee waives any and all rights to compensation or damages as a result of a Termination, insofar as those rights result or may result from: (a) the loss or diminution in value of such rights or entitlements under the Program; or (b) the Employee ceasing to have rights, or ceasing to be entitled to any Awards under the Program as a result of such Termination.

### **NEW ZEALAND**

**Securities Law Notice.** The following securities notification applies for an offer of Units on or after December 1, 2016:

#### **Warning**

This is an offer of Units which, upon vesting and settlement in accordance with the terms of the Program and the Agreement, will be converted into Shares. Shares give you a stake in the ownership of AbbVie Inc. You may receive a return if dividends are paid.

If AbbVie Inc. runs into financial difficulties and is wound up, you will be paid only after all creditors and holders of preference shares have been paid. You may lose some or all of your investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision. The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing.

Prior to the vesting and settlement of the Units, you will not have any rights of ownership (e.g., voting rights) with respect to the underlying Shares.

No interest in any Units may be transferred (legally or beneficially), assigned, mortgaged, charged or encumbered.

The Shares are quoted on the New York Stock Exchange. This means that if you acquire Shares under the Program, you may be able to sell them on the New York Stock Exchange if there are interested buyers. You may get less than you invested. The price will depend on the demand for the Shares.

You also are hereby notified that the documents listed below are available for review on sites at the web addresses listed below:

1. AbbVie Inc.'s most recent Annual Report (Form 10-K): <https://investors.abbvie.com/sec-filings>.
2. AbbVie Inc.'s most recent published financial statements (Form 10-Q or 10-K) and the auditor's report on those financial statements: <https://investors.abbvie.com/sec-filings>.
3. The AbbVie 2013 Incentive Stock Program: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.
4. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.

Copies of the documents listed above will be sent to you free of charge on written request to: Director, Equity Programs, AbbVie Inc., Dept. V58G, Bldg. AP34-2, 1 North Waukegan Road, North Chicago, IL 60064, USA.

#### **ROMANIA**

1. Termination. A Termination shall include the situation where the Employee's employment contract is terminated by operation of law on the date the Employee reaches the standard retirement age and has completed the minimum contribution record for receipt of state retirement pension or the relevant authorities award the Employee an early-retirement pension of any type.
2. English Language. The Employee hereby expressly agrees that this Agreement, the Program as well as all documents, notices and proceedings entered into, relating directly or indirectly hereto, be drawn up or communicated only in the English language. **Angajatul consimte în mod expres prin prezentul ca acest Contract, Programul precum și orice alte documente, notificări, înștiințări legate direct sau indirect de acest Contract să fie redactate sau efectuate doar în limba engleză.**

#### **RUSSIA**

1. Sale or Transfer of Shares. Notwithstanding anything to the contrary in the Program or the Agreement, the Employee shall not be permitted to sell or otherwise dispose of the Shares acquired pursuant to the Award in Russia. The Employee may sell the Shares only through a broker established and operating outside Russia. Any Shares issued upon vesting shall be delivered to the Employee through a brokerage account in the U.S. The Employee may hold the Shares in his or her brokerage account in the U.S.; however, in no event will Shares issued to the Employee under the Program be delivered to the Employee in Russia. The Employee is not permitted to sell Shares directly to other Russian legal entities or individuals.
2. Repatriation Requirements. The Employee agrees to promptly repatriate proceeds resulting from the sale of Shares acquired under the Program to a foreign currency account at an authorized bank in Russia if legally required at the time Shares are sold and to comply with all applicable local foreign exchange rules and regulations. Neither the Company nor any of its Subsidiaries shall be liable for any fines or penalties resulting from the Employee's failure to comply with applicable laws.

#### **SINGAPORE**

Qualifying Person Exemption. The grant of the Award under the Program is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (the "SFA"). The Program has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore and is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. The Employee should note that, as a result, the Award is subject to section 257 of the SFA and the Employee will not be able to make: (a) any subsequent sale of the Shares underlying the Award in Singapore; or (b) any offer of such subsequent sale of the Shares subject to the Award in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA.



## **SOUTH AFRICA**

1. Exchange Control Obligations. The Employee is solely responsible for complying with applicable exchange control regulations and rulings (the “*Exchange Control Regulations*”) in South Africa. As the Exchange Control Regulations change frequently and without notice, the Employee should consult the Employee’s legal advisor prior to the acquisition or sale of Shares under the Program to ensure compliance with current Exchange Control Regulations. Neither the Company nor any of its Subsidiaries shall be liable for any fines or penalties resulting from the Employee’s failure to comply with applicable laws, rules or regulations.

2. Securities Law Notice. In compliance with South African securities laws, the Employee acknowledges that the documents listed below are available for review at the web addresses listed below:

- a. AbbVie Inc.’s most recent Annual Report (Form 10-K): <https://investors.abbvie.com/sec-filings>.
- b. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.

The Employee understands that a copy of the above documents will be sent to the Employee free of charge on written request to: Director, Equity Programs, AbbVie Inc., Dept. V58G, Bldg. AP34-2, 1 North Waukegan Road, North Chicago, IL 60064, USA.

The Employee is advised to carefully read the materials provided before making a decision whether to participate in the Program and to contact the Employee’s tax advisor for specific information concerning the Employee’s personal tax situation with regard to Program participation.

## **SPAIN**

### 1. Acknowledgement of Discretionary Nature of the Program; No Vested Rights

By accepting the Award, the Employee consents to participation in the Program and acknowledges receipt of a copy of the Program.

The Employee understands that the Company has unilaterally, gratuitously and in its sole discretion granted Units under the Program to individuals who may be employees of the Company or its Subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any of its Subsidiaries on an ongoing basis. Consequently, the Employee understands that the Units are granted on the assumption and condition that the Units and the Shares acquired upon settlement of the Units shall not become a part of any employment contract (either with the Company or any of its Subsidiaries) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Employee understands that this grant would not be made to the Employee but for the assumptions and conditions referenced above; thus, the Employee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason the Award shall be null and void.

The Employee understands and agrees that, as a condition of the Award, unless otherwise provided in Section 4 of the Agreement, any unvested Units as of the date the Employee ceases active employment will be forfeited without entitlement to the underlying Shares or to any amount of indemnification in the event of Termination. The Employee acknowledges that the Employee has read and specifically accepts the conditions referred to in the Agreement regarding the impact of a Termination on the Units.

1. Termination for Cause. Notwithstanding anything to the contrary in the Program or the Agreement, “Cause” shall be as defined as set forth in the Agreement, regardless of whether the Termination is considered a fair termination (i.e., “despido procedente”) under Spanish legislation.

## **SWITZERLAND**

Securities Law Information. Neither this document nor any other materials relating to the Units

(i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services

("FinSA"), (ii) may be publicly distributed nor otherwise made publicly available in Switzerland to any

person other than an employee of the Company or (iii) has been or will be filed with, approved or

supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory

authority, including the Swiss Financial Market Supervisory Authority ("FINMA").

## **TUNISIA**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

## **UKRAINE**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

## **UNITED KINGDOM**

1. Payment of Taxes. Without limitation to Section 8 of the Agreement, the Employee hereby agrees that the Employee is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company or (if different) the Subsidiary that employs the Employee or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Employee also hereby agrees to indemnify and keep indemnified the Company and (if different) the Subsidiary that employs the Employee against any Tax-Related Items that they are required to pay or withhold on the Employee's behalf or have paid or will pay on the Employee's behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if the Employee is a director or executive officer (as within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that the Employee is a director or executive officer and income tax due is not collected from or paid by the Employee by within 90 days after the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected tax may constitute a benefit to the Employee on which additional income tax and national insurance contributions may be payable. The Employee acknowledges that the Employee ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Subsidiary that employs the Employee (as applicable) for the value of any employee national insurance contributions due on this additional benefit, which the Company and/or the Subsidiary that employs the Employee may recover from the Employee at any time thereafter by any of the means referred to in Section 8 of the Agreement.

2. Exclusion of Claim. The Employee acknowledges and agrees that the Employee will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from the Employee's ceasing to have rights under or to be entitled to the Units, whether or not as a result of Termination (whether the Termination is in breach of contract or otherwise), or from the loss or diminution in value of the Units. Upon the grant of the Award, the Employee shall be deemed to have waived irrevocably any such entitlement.

**VIETNAM**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

**ABBVIE INC.**  
**PERFORMANCE SHARE AWARD AGREEMENT**

On this «Grant\_Day» day of «Grant\_Month», 2020 (the “Grant Date”), AbbVie Inc. (the “Company”) hereby grants to «First Name» «MI» «Last Name» (the “Employee”) a Performance Share Award (the “Award”) of «NoShares12345» performance share units (the “Units”). The actual number of shares of Company common stock (the “Shares”) that may be issued under this Award will be determined in accordance with this Agreement by reference to the number of Units set forth above.

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

The terms and conditions of the Award are as follows:

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

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

bonus plan of the Company or Subsidiary for the year immediately preceding the year of the Change in Control;

- (v) the failure by the Company to award the Employee equity-based incentive compensation (such as stock options, shares of restricted stock, restricted stock units, or other equity-based compensation) on a periodic basis consistent with the Company's practices with respect to timing, value and terms prior to the Change in Control;
  - (vi) the failure by the Company or a Subsidiary to continue to provide the Employee with the welfare benefits, fringe benefits and perquisites enjoyed by the Employee immediately prior to the Change in Control under any of the Company's or Subsidiary's plans or policies, including, but not limited to, those plans and policies providing pension, life insurance, medical, health and accident, disability and vacation;
  - (vii) the relocation of the Employee's base office to a location that is more than 35 miles from the Employee's base office immediately prior to the Change in Control; or
  - (viii) the failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement as contemplated in Section 5.
- (k) *Performance Determination Date*: The date on which the Committee determines whether or to what extent the Performance Vesting Requirements have been achieved.
- (l) *Performance Period*: The period(s) specified in the attached Schedule, over which achievement of the Performance Vesting Requirements is to be measured.
- (m) *Performance Shares*: The maximum number of Shares the Employee may receive under this Award based on the extent to which the Performance Vesting Requirements are achieved. In no event will the number of Performance Shares exceed 250% of the number of Units set forth in the first paragraph of this Agreement.
- (n) *Performance Vesting Requirements*: The performance goals described in the attached Schedule, which must be achieved for Units to vest and the corresponding Shares to be delivered under this Award.
- (o) *Program*: The AbbVie 2013 Incentive Stock Program.
- (p) *Retirement*:
- (i) Except as provided under (ii) or (iii) below, Retirement means either of the following:
    - age 55 with 10 years of service; or
    - age 65 with at least three years of service.
  - (ii) For Employees who (A) are not covered by (iii) below and (B) transferred to the Company directly from Abbott Laboratories either as a result of the Company's spin-off from Abbott Laboratories or during the period from January 1, 2013 through June 30, 2015 with the consent of each company's head of human resources and were hired into the Abbott Laboratories controlled group prior to January 1, 2004, Retirement means any of the following:
    - age 50 with 10 years of service;
    - age 65 with at least three years of service; or

- age 55 with an age and service combination of 70 points, where each year of age is one point and each year of service is one point.

(iii) For participants in the AbbVie Pension Plan for Former BASF and Former Solvay Employees, Retirement means either of the following:

- age 55 with 10 years of service; or
- age 65 with at least three years of service.

(iv) For purposes of calculating service under this Section 1(p), except as otherwise provided by the Committee or its delegate: (A) service is earned only if performed for a member of the Controlled Group while that Controlled Group member is a part of the Controlled Group; and (B) for Employees who transferred to the Company directly from Abbott Laboratories during the period from January 1, 2013 through June 30, 2015 either as a result of the Company's spin-off from Abbott Laboratories or with the consent of each company's head of human resources, service includes service with Abbott Laboratories that is counted for benefit calculation purposes under the AbbVie Pension Plan, the AbbVie Pension Plan for Former BASF and Former Solvay Employees, or another Company-sponsored pension plan, as applicable.

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

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

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

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

the issuance of the Shares resulting from the Unit vesting. Any such distribution is subject to the Company's collection of withholding taxes applicable to the distribution.

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

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

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



Shareholder Return (TSR) calculated as of the date of Termination, and (B) the target vesting level for the Award.

(d) **Disability.** In the event of the Employee's Termination due to Disability, any Units not previously vested will vest and be settled in the form of Shares as soon as administratively possible after, and effective as of, the date of Termination due to Disability. The extent to which the Units vest, and the number of Shares to be delivered as a result, will be determined based on the greater of (A) performance through the date of Termination measured against the Performance Vesting Requirements set forth in the Schedule using, as applicable, adjusted earnings per share calculated through the most recent quarterly earnings release preceding or coinciding with the date of Termination and relative TSR calculated as of the date of Termination, and (B) the target vesting level for the Award.

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

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

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

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

6. **Effect of Certain Bad Acts.** Any Units not previously settled will be cancelled and forfeited immediately if the Employee engages in activity that constitutes Cause, as determined in the sole opinion and discretion of the Committee or its delegate, whether or not the Employee experiences a Termination or remains employed with the Company or a Subsidiary.

7. **Forfeiture of Units.** In the event of the Employee's Termination for any reason other than those set forth in subsections 4(b), (c) or (d) or Section 5, any Units that have not vested as of the date of Termination will be forfeited without consideration to the Employee or the Employee's Representative. In the event that the Employee is terminated by the Company other than for Cause and in a situation not covered by Section 5, the Company may, in its sole discretion, cause some or all of the Units to remain in effect and subject to vesting in accordance with the provisions of subsection 4(a), in which case such Units will be settled in the

form of Shares on the Delivery Date(s) set forth in subsection 4(a) above as if the Employee had remained employed on such dates. In accepting this Award, the Employee acknowledges that in the event of Termination (whether or not in breach of local labor laws), the Employee's right to vest in the Units, if any, will cease and will not be extended by any notice period mandated under local law (e.g., active employment does not include a period of "garden leave" or similar period pursuant to local law) and that the Company shall have the exclusive discretion to determine when Termination occurs.

8. **Withholding Taxes.** To the extent permitted under applicable law and by the Company, the Employee may satisfy any U.S. or non-U.S. federal, state, local or other applicable taxes arising from the grant of the Award, the vesting of Units or the delivery of Shares pursuant to this Agreement by:

- (a) tendering a cash payment;
- (b) having the Company withhold Shares from the Shares to be delivered to satisfy the applicable withholding tax;
- (c) tendering Shares received in connection with the Award back to the Company; or
- (d) delivering other previously acquired Shares having a Fair Market Value approximately equal to the amount to be withheld.

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

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

9. **No Right to Continued Employment.** This Agreement and the Employee's participation in the Program do not and shall not be interpreted to:

- (a) form an employment contract or relationship with the Company or its Subsidiaries;
- (b) confer upon the Employee any right to continue in the employ of the Company or any of its Subsidiaries; or
- (c) interfere with the ability of the Company or its Subsidiaries to terminate the Employee's employment at any time.

10. **Nature of Grant.** In accepting this Award, the Employee acknowledges and agrees that:

- (a) the Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

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

11. **Data Privacy.**

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

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

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

- (e) Upon request of the Company or the Subsidiary that employs the Employee, the Employee agrees to provide an executed data privacy consent form (or any other agreement or consent that may be required by the Company and/or the Subsidiary that employs the Employee) to the Company and/or the Subsidiary that employs the Employee that the Company and/or the Subsidiary that employs the Employee may deem necessary to obtain from the Employee for the purpose of administering his or her participation in the Program in compliance with the data privacy laws in the Employee's

country, either now or in the future. The Employee understands and agrees that he or she will not be able to participate in the Program if the Employee fails to provide any such requested consent or agreement.

- 12. Form of Payment.** The Company may, in its sole discretion, settle the Employee's Units in the form of a cash payment to the extent settlement in Shares: (a) is prohibited under local law; (b) would require the Employee, the Company and/or its Subsidiaries to obtain the approval of any governmental and/or regulatory body in the Employee's country; (c) would result in adverse tax consequences for the Employee or the Company; or (d) is administratively burdensome. Alternatively, the Company may, in its sole discretion, settle the Employee's Units in the form of Shares but require the Employee to sell such Shares immediately or within a specified period of time following the Employee's Termination (in which case, this Agreement shall give the Company the authority to issue sales instructions on the Employee's behalf).
- 13. Private Placement.** This Award is not intended to be a public offering of securities in the Employee's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this Award is not subject to the supervision of the local securities authorities.
- 14. Exchange Controls.** As a condition to this Award, the Employee agrees to comply with any applicable foreign exchange rules and regulations.
- 15. Compliance with Applicable Laws and Regulations.**

  - (a) The Company shall not be required to issue or deliver any Shares pursuant to this Agreement pending compliance with all applicable federal and state securities and other laws (including any registration requirements or tax withholding requirements) and compliance with the rules and practices of any stock exchange upon which the Company's Shares are listed.
  - (b) Regardless of any action the Company or its Subsidiaries take with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Employee's participation in the Program and legally applicable to the Employee or deemed by the Company or its Subsidiaries to be an appropriate charge to the Employee even if technically due by the Company or its Subsidiaries ("*Tax-Related Items*"), the Employee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Employee's responsibility and may exceed the amount actually withheld by the Company or its Subsidiaries, if any. The Employee further acknowledges that the Company and/or its Subsidiaries: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Units, including, but not limited to, the grant, vesting or settlement of the Units, the issuance of Shares upon payment of the Units, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends and/or Dividend Equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Units to reduce or eliminate the Employee's liability for Tax-Related Items or achieve any particular tax result. If the Employee has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Employee acknowledges that the Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction. If the Employee relocates to another country, the Company may establish special or alternative terms and conditions as necessary or advisable to comply with local laws, rules or regulations, to facilitate the operation

and administration of the Award and the Program and/or to accommodate the Employee's relocation.

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

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

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

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

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

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

23. **Entire Agreement.** This Agreement and the Program constitute the entire agreement between the Employee and the Company regarding the Award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the Award. Except as expressly set forth herein, this Agreement (and any provision of this Agreement) may not be modified, changed or clarified by the parties, except in a writing specifying the modification, change or clarification signed by a duly authorized Company officer.
24. **Succession.** This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Employee, the Employee's Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.
25. **Language.** The Employee acknowledges and agrees that it is the Employee's express intent that this Agreement, the Program and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Employee is in a country where English is not an official language, the Employee acknowledges that he or she is sufficiently proficient in English or has had the ability to consult with an advisor who is sufficiently proficient in the English language, so as to allow the Employee to understand the terms and conditions of this Agreement, the Program and any other documents related to the Award. If the Employee has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
26. **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any state's conflict of laws principles. For any legal action relating to this Agreement, the parties to this Agreement consent to the exclusive jurisdiction and venue of the federal courts of the Northern District of Illinois, USA, and, if there is no jurisdiction in federal court, to the exclusive jurisdiction and venue of the state courts in Lake County, Illinois, USA.

\* \* \*

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

ABBVIE INC.

By \_\_\_\_\_

Title \_\_\_\_\_

EMPLOYEE

By: SIGNED BY ELECTRONIC SIGNATURE

**BY ELECTRONICALLY ACCEPTING THE AWARD, THE EMPLOYEE AGREES THAT (1) SUCH ACCEPTANCE CONSTITUTES THE EMPLOYEE'S ELECTRONIC SIGNATURE IN EXECUTION OF THIS AGREEMENT; (2) THE EMPLOYEE AGREES TO BE BOUND BY THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM; (3) THE EMPLOYEE HAS REVIEWED THE PROGRAM, THE AGREEMENT AND THE ADDENDUM IN THEIR ENTIRETY, HAS HAD AN OPPORTUNITY TO OBTAIN THE ADVICE OF COUNSEL PRIOR TO ACCEPTING THE**



**AWARD AND FULLY UNDERSTANDS ALL OF THE PROVISIONS OF THE PROGRAM, THE AGREEMENT AND THE ADDENDUM; (4) THE EMPLOYEE HAS BEEN PROVIDED WITH A COPY OR ELECTRONIC ACCESS TO A COPY OF THE U.S. PROSPECTUS FOR THE PROGRAM; AND (5) THE EMPLOYEE HEREBY AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE COMMITTEE OR ITS DULY AUTHORIZED DELEGATE ON ANY QUESTIONS ARISING UNDER THE PROGRAM, THE AGREEMENT AND THE ADDENDUM.**

## SCHEDULE

### PERFORMANCE PERIODS AND PERFORMANCE VESTING REQUIREMENTS

Any capitalized term used but not defined in this Schedule has the meaning set forth in the Agreement or the Program. This Schedule is subject to, and is to be interpreted in combination with, all of the terms and conditions of the Agreement and the Program.

#### Vesting Steps and Performance Periods

The Award is subject to vesting in two steps as summarized below. Step 1 is based on the Company's adjusted earnings per share ("EPS") performance for the designated Performance Period and Step 2 is based on the Company's relative total shareholder return ("TSR") for the designated Performance Period, as described in the Agreement and the Performance Vesting Requirements section below. The vesting steps and corresponding Performance Periods are as follows:

Vesting Step	Performance Period
Step 1	January 1-December 31, 2020
Step 2	January 1, 2020-December 31, 2022

#### Performance Vesting Requirements

##### Step 1

Step 1 is based on the Company's EPS performance for 2020. Within sixty-five (65) days after the end of the Step 1 Performance Period, the Committee will determine the Company's EPS for that Performance Period. For purposes of determining such Performance Period EPS results, EPS means non-GAAP EPS disclosed in the Company's annual earnings release for the year ended December 31, 2020.

The Company's EPS performance for the Step 1 Performance Period determines the adjustment percentage for Step 1, such that:

- a. EPS of \$9.86 results in an adjustment of 200%;
- b. EPS of \$9.66 results in an adjustment of 100%;
- c. EPS of \$9.61 results in an adjustment of 50%; and
- d. EPS below \$9.61 results in an adjustment of 0%.

The adjustment percentages for EPS performance between \$9.61 and \$9.66 and between \$9.66 and \$9.86 will be interpolated based on the parameters listed above. The adjustment percentage derived from the EPS performance determination will be multiplied by the number of Units, yielding an adjusted number of Units (the "Adjusted Units") that will be used in Step 2 below to determine the number of Shares deliverable under the Agreement.

##### Step 2

Step 2 is based on the Company's TSR for 2020-2022 relative to the TSR for the same period of the companies (other than the Company) that were constituents of either the S&P Pharmaceutical, Biotech, and Life Science Index or the NYSE Arca Pharmaceutical Index on January 1, 2020 and on the last day of the Step 2 Performance Period (the

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"Index Companies"). Within sixty-five (65) days after the end of the Step 2 Performance Period, the Committee will determine performance against the Step 2 Performance Vesting Requirement.

The Committee will determine the Company's 2020-2022 TSR relative to the 2020-2022 TSR of the Index Companies. For the purposes of determining TSR, for each company the beginning stock price will be the closing stock price on December 31, 2019 and the ending stock price will be the closing stock price on December 31, 2022. The TSR results of the individual Index Companies will be indexed by market capitalization.

The Company's TSR compared to the Index Companies TSR for the Performance Period determines the adjustment percentage to be applied to the Adjusted Units, such that:

- a. Company TSR more than 15 points above the index results in an adjustment of +25%;
- b. Company TSR more than 10 points above the index results in an adjustment of +20%;
- c. Company TSR more than 5 points above the index results in an adjustment of +15%;
- d. Company TSR more than 5 points below the index results in an adjustment of -15%; and
- e. Company TSR more than 15 points below the index results in an adjustment of -25%.

The adjustment percentage derived from the index comparison will be multiplied by the number of Adjusted Units, yielding the number of Shares deliverable under the Agreement as a result of the application of the Performance Vesting Requirements.

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Performance Share Award (2020)

## ADDENDUM

In addition to the terms and conditions set forth in the Agreement, the Award is subject to the following terms and conditions. If the Employee is employed in a country or jurisdiction identified in this Addendum, the additional terms and conditions for such country or jurisdiction will apply. If the Employee relocates to one of the countries or jurisdictions identified in this Addendum, the special terms and conditions for such country or jurisdiction will apply to the Employee, to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Units and the Program (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Employee's relocation).

All defined terms contained in this Addendum shall have the same meaning as set forth in the Program.

### **EUROPEAN UNION ("EU") / EUROPEAN ECONOMIC AREA ("EEA") COUNTRIES, SWITZERLAND AND UNITED KINGDOM**

Data Privacy. The following provision replaces Section 11 of the Agreement in its entirety:

Pursuant to applicable personal data protection laws, the Employee is hereby notified of the following in relation to the Employee's Personal Data (defined below) and the collection, processing and transfer in electronic or other form of such Personal Data in relation to the administration of the Program. The collection, processing and transfer of Personal Data is necessary for the legitimate purpose of the administration of the Program by the Company and the Subsidiary that employs the Employee and the Employee's participation in the Program, and the Employee's denial and/or objection to the collection, processing and transfer of Personal Data may affect his or her participation in the Program. As such, by participating in the Program, the Employee acknowledges the collection, use, processing and transfer of Personal Data as described herein.

The Employee understands that the Company and the Subsidiary that employs the Employee may hold certain personally identifiable information about the Employee, specifically his or her name, home address, email address and telephone number, date of birth, social security, passport or other identification number (resident registration number), salary, nationality, job title, any Shares or directorships held in the Company or its Subsidiaries, details of all entitlements to Shares (or cash) granted, awarded, canceled, vested, unvested or outstanding in the Employee's favor, for the purpose of managing and administering the Program ("*Personal Data*"). The Personal Data may be provided by the Employee or collected, where lawful, from third parties. The Company or the Subsidiary that employs the Employee each act as controllers of the Personal Data and will process the Personal Data in this context for the exclusive legitimate purpose of implementing, administering and managing the Employee's participation in the Program and meeting related legal obligations associated with these actions.

The processing will take place through electronic and non-electronic means according to logics and procedures correlated to the purposes for which the Personal Data was collected and with confidentiality and security provisions as set forth by applicable laws and regulations. Personal Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Program and other aspects of the employment relationship and for the Employee's participation in the Program.

The Company and the Subsidiary that employs the Employee will transfer Personal Data amongst themselves and their affiliates as necessary for the purpose of implementation, administration and management of the Employee's participation in the Program, and the Company and the Subsidiary that employs the Employee may each further transfer Personal Data to third parties assisting the Company or the Subsidiary that employs the Employer in the implementation, administration and management of the Program, including E\*TRADE Financial Corporate Services Inc. and its affiliates ("*E\*TRADE*") or any successor or other third party that the Company, the Subsidiary that employs the Employee or E\*TRADE (or its successor) may engage to assist with the administration of the Program from time to time. These recipients may be located in the EU, EEA, Switzerland, the United Kingdom or elsewhere throughout the world, such as the United States. By participating in the Program, the Employee understand that these recipients may receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for purposes of implementing, administering and managing the Employee's participation in the Program, including any requisite

transfer of such Personal Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Employee's behalf to a broker or other third party with whom the Employee may elect to deposit any Shares acquired pursuant to the Program. The Employee further understands that he or she may request a list with the names and addresses of any potential recipients of Personal Data by contacting the Employee's local Human Resources manager or AbbVie's Human Resources Department. When transferring Personal Data to these potential recipients, the Company and the Subsidiary that employs the Employee may provide appropriate safeguards in accordance with EU Standard Contractual Clauses, or other legally binding and permissible arrangements. The Employee may request a copy of such safeguards from the Employee's local Human Resources manager or AbbVie's Human Resources Department.

To the extent provided by law, the Employee may, at any time, have the right to request: access to Personal Data, rectification of Personal Data, erasure of Personal Data, restriction of processing of Personal Data, and portability of Personal Data. The Employee may also have the right to object, on grounds related to a particular situation, to the processing of Personal Data, in any case without cost, by contacting in writing the Employee's local Human Resources manager or AbbVie's Human Resources Department. The Employee understands, however, that the only consequence of refusing to provide Personal Data is that the Company may not be able to grant the Units or other equity awards or administer or maintain such awards.

When the Company and the Subsidiary that employs the Employee no longer need to use Personal Data for the purposes above or do not need to retain it for compliance with any legal or regulatory purpose, each will take reasonable steps to remove Personal Data from their systems and/or records containing the Personal Data and/or take steps to properly anonymize it so that the Employee can no longer be identified from it.

## **ALGERIA**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

## **AUSTRALIA**

1. Breach of Law. Notwithstanding anything to the contrary in the Agreement or the Program, the Employee will not be entitled to, and shall not claim any benefit (including without limitation a legal right) under the Program if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth), any other provision of that Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits.

2. Australian Offer Document. In addition to the Agreement and the Program, the Employee must review the Australian Offer Document for additional important information pertaining to the Award. This document can be accessed via the E\*TRADE website at <https://us.etrade.com/stock-plans>. By accepting the Award, the Employee acknowledges and confirms that the Employee has reviewed the Australian Offer Document.

3. Tax Information. The Program is a program to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in that Act).

## **BAHRAIN**

Securities Notification. This Agreement does not constitute advertising or an offering of securities in Bahrain, nor does it constitute an allotment of securities in Bahrain. Any Shares issued pursuant to the Units under the Program shall be deposited into a brokerage account in the United States. In no event will Shares be issued or delivered in Bahrain. The issuance of Shares pursuant to the Units described herein has not and will not be registered in Bahrain and hence, the Shares described herein may not be admitted or used for offering, placement or public circulation in Bahrain. Accordingly, the Employee may not make any public advertising or announcements regarding the Units or Shares in Bahrain, promote these Shares to legal entities or individuals in Bahrain, or sell Shares directly to other legal entities or individuals in Bahrain. The Employee acknowledges and agrees that Shares may only be sold outside of Bahrain and on a stock exchange on which AbbVie is traded.

## **BRAZIL**

Labor Law Acknowledgment. The Employee agrees, for all legal purposes, (i) the Benefits provided under the Agreement and the Program are the result of commercial transactions unrelated to the Employee's employment; (ii) the Agreement and the Program are not a part of the terms and conditions of the Employee's employment; and (iii) the income from the Units, if any, is not part of the Employee's remuneration from employment.

## **CANADA**

1. Settlement in Shares. Notwithstanding anything to the contrary in the Agreement, Addendum or the Program, the Employee's Award shall be settled only in Shares (and may not be settled in cash).
2. Resale Restriction. The Employee is permitted to sell Shares acquired upon settlement of the Units through the designated broker appointed under the Program, provided the resale of Shares acquired under the Program takes place outside of Canada through the facilities of the stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.
3. English Language. The parties to the Agreement acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. ***Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.***

## **CHILE**

Private Placement. The following provision shall replace Section 13 of the Agreement:

The grant of the Units hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement.

- a) The starting date of the offer will be the Grant Date (as defined in the Agreement), and this offer conforms to General Ruling no. 336 of the Chilean Commission for the Financial Market;
  - b) The offer deals with securities not registered in the registry of securities or in the registry of foreign securities of the Chilean Commission for the Financial Market, and therefore such securities are not subject to its oversight;
  - c) The issuer is not obligated to provide public information in Chile regarding the foreign securities, as such securities are not registered with the Chilean Commission for the Financial Market; and
  - d) The foreign securities shall not be subject to public offering as long as they are not registered with the corresponding registry of securities in Chile.
- a) *La fecha de inicio de la oferta será el de la fecha de otorgamiento (o "Grant Date", según este término se define en el documento denominado "Agreement") y esta oferta se acoge a la norma de Carácter General n° 336 de la Comisión para el Mercado Financiero Chilena;*
  - b) *La oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la Comisión para el Mercado Financiero Chilena, por lo que tales valores no están sujetos a la fiscalización de ésta;*
  - c) *Por tratar de valores no inscritos no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores; y*
  - d) *Esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.*

## **CHINA**

Foreign Exchange Control Laws. The following provisions shall govern the Employee's participation in the Program if the Employee is a national of the People's Republic of China ("*China*") resident in mainland China, or if determined to be necessary or appropriate by the Company in its sole discretion:

The Employee agrees to hold the Shares received upon settlement of the Units with the Company's designated broker. Upon a Termination, the Employee shall be required to sell all Shares issued pursuant to the Units within 180 days (or such shorter period as may be required by the State Administration of Foreign Exchange or the Company) of the Termination date and repatriate the sales proceeds to China in the manner designated by the Company. For purposes of the foregoing, the Company shall establish procedures for effectuating the forced sale of the Shares (including procedures whereby the Company may issue sale instructions on behalf of the Employee), and the Employee hereby agrees to comply with such procedures and take any and all actions as the Company determines, in its sole discretion, are necessary or advisable for purposes of complying with local laws, rules and regulations in China.

The Employee understands and agrees that the repatriation of dividends and sales proceeds may need to be effected through a special exchange control account established by the Company or its Subsidiaries, and the Employee hereby consents and agrees that dividends issued on Shares and sales proceeds from the sale of Shares acquired under the Program may be transferred to such account by the Company on the Employee's behalf prior to being delivered to the Employee. Dividends and/or sales proceeds may be paid to the Employee in U.S. dollars or local currency at the Company's discretion. If dividends and/or sales proceeds are paid to the Employee in U.S. dollars, the Employee understands that the Employee will be required to set up a U.S. dollar bank account in China so that the dividends or proceeds may be deposited into this account. If dividends and/or sales proceeds are paid to the Employee in local currency, the Employee acknowledges that the Company is under no obligation to secure any particular exchange conversion rate and that the Company may face delays in converting the dividends and/or proceeds to local currency due to exchange control restrictions. The Employee agrees to bear any currency fluctuation risk between the time dividends are issued or Shares are sold and the net proceeds are converted into local currency and distributed to the Employee. The Employee further agrees to comply with any other requirements that may be imposed by the Company or its Subsidiaries in China in the future in order to facilitate compliance with exchange control requirements in China. The Employee acknowledges and agrees that the processes and requirements set forth herein shall continue to apply following the Employee's Termination.

Neither the Company nor any of its Subsidiaries shall be liable for any costs, fees, lost interest or dividends or other losses the Employee may incur or suffer resulting from the enforcement of the terms of this Addendum or otherwise from the Company's operation and enforcement of the Program, the Agreement and the Units in accordance with Chinese law including, without limitation, any applicable State Administration of Foreign Exchange rules, regulations and requirements.

## **DENMARK**

The Act on Stock Options. Notwithstanding any provisions in the Agreement to the contrary, the treatment of the Units upon the Employee's Termination shall be governed by the Danish Act on the Use of Rights to Purchase or Subscribe for Shares etc. in Employment Relationships (the "*Stock Option Act*") as in effect at the time of the Employee's Termination (as determined by the Company, in its discretion, in consultation with legal counsel). The Employee acknowledges having received an "Employer Information Statement" in Danish, which is provided to comply with the Stock Option Act.

## **FINLAND**

Withholding of Tax-Related Items. Notwithstanding anything in Section 8 of the Agreement to the contrary, if the Employee is a local national of Finland, any Tax-Related Items shall be withheld only in cash from the Employee's regular salary/wages or other amounts payable to the Employee in cash, or such other withholding methods as may be permitted under the Program and allowed under local law.

## **FRANCE**

1. Nature of the Award. The Units are not granted under the French specific regime provided by Articles L225-197-1 and seq. of the French commercial code.
2. English Language. The parties to the Agreement acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. ***Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.***

## **HONG KONG**

1. Settlement in Shares. Notwithstanding anything to the contrary in the Agreement, Addendum or the Program, the Award shall be settled only in Shares (and may not be settled in cash).
2. Lapse of Restrictions. If, for any reason, Shares are issued to the Employee within six months of the Grant Date, the Employee agrees that he or she will not sell or otherwise dispose of any such Shares prior to the six-month anniversary of the Grant Date.
3. IMPORTANT NOTICE. WARNING: The contents of the Agreement, the Addendum, the Program, and all other materials pertaining to the Units and/or the Program have not been reviewed by any regulatory authority in Hong Kong. The Employee is hereby advised to exercise caution in relation to the offer thereunder. If the Employee has any doubts about any of the contents of the aforesaid materials, the Employee should obtain independent professional advice.
4. Wages. The Units and Shares subject to the Units do not form part of the Employee's wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

## **ISRAEL**

Trustee Arrangement. The Employee agrees to hold the Shares received upon settlement of the Units with the Company's designated broker. The Employee understands and agrees that upon the Employee's sale of Shares, unless otherwise determined by the Company, (a) the repatriation of sales proceeds shall be effected through a trustee in Israel engaged by the Company (the "Trustee"), (b) the Trustee will withhold the requisite tax and other mandatory withholding (e.g., National Insurance payments) from the sales proceeds and (c) the Trustee will transfer the remaining sale proceeds (net of the requisite tax and other mandatory withholding) to the Employee. The Employee acknowledges and agrees that the process and requirements set forth herein shall continue to apply following the Employee's Termination.

## **MEXICO**

1. Commercial Relationship. The Employee expressly acknowledges that the Employee's participation in the Program and the Company's grant of the Award does not constitute an employment relationship between the Employee and the Company. The Employee has been granted the Award as a consequence of the commercial relationship between the Company and the Subsidiary in Mexico that employs the Employee, and the Company's Subsidiary in Mexico is the Employee's sole employer. Based on the foregoing: (a) the Employee expressly acknowledges that the Program and the benefits derived from participation in the Program do not establish any rights between the Employee and the Subsidiary in Mexico that employs the Employee; (b) the Program and the benefits derived from participation in the Program are not part of the employment conditions and/or benefits provided by the Subsidiary in Mexico that employs the Employee; and (c) any modifications or amendments of the Program or benefits granted thereunder by the Company, or a termination of the Program by the Company, shall not constitute a change or impairment of the terms and conditions of the Employee's employment with the Subsidiary in Mexico that employs the Employee.



2. Extraordinary Item of Compensation. The Employee expressly recognizes and acknowledges that the Employee's participation in the Program is a result of the discretionary and unilateral decision of the Company, as well as the Employee's free and voluntary decision to participate in the Program in accordance with the terms and conditions of the Program, the Agreement and this Addendum. As such, the Employee acknowledges and agrees that the Company, in its sole discretion, may amend and/or discontinue the Employee's participation in the Program at any time and without any liability. The value of the Units is an extraordinary item of compensation outside the scope of the Employee's employment contract, if any. The Units are not part of the Employee's regular or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or any similar payments, which are the exclusive obligations of the Company's Subsidiary in Mexico that employs the Employee.

#### **MOROCCO**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

#### **NETHERLANDS**

Waiver of Termination Rights. The Employee waives any and all rights to compensation or damages as a result of a Termination, insofar as those rights result or may result from: (a) the loss or diminution in value of such rights or entitlements under the Program; or (b) the Employee ceasing to have rights, or ceasing to be entitled to any Awards under the Program as a result of such Termination.

#### **NEW ZEALAND**

Securities Law Notice. The following securities notification applies for an offer of Units on or after December 1, 2016:

##### **Warning**

This is an offer of Units which, upon vesting and settlement in accordance with the terms of the Program and the Agreement, will be converted into Shares. Shares give you a stake in the ownership of AbbVie Inc. You may receive a return if dividends are paid.

If AbbVie Inc. runs into financial difficulties and is wound up, you will be paid only after all creditors and holders of preference shares have been paid. You may lose some or all of your investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision. The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing.

Prior to the vesting and settlement of the Units, you will not have any rights of ownership (e.g., voting rights) with respect to the underlying Shares.

No interest in any Units may be transferred (legally or beneficially), assigned, mortgaged, charged or encumbered.

The Shares are quoted on the New York Stock Exchange. This means that if you acquire Shares under the Program, you may be able to sell them on the New York Stock Exchange if there are interested buyers. You may get less than you invested. The price will depend on the demand for the Shares.

You also are hereby notified that the documents listed below are available for review on sites at the web addresses listed below:

1. AbbVie Inc.'s most recent Annual Report (Form 10-K): <https://investors.abbvie.com/sec-filings>.
2. AbbVie Inc.'s most recent published financial statements (Form 10-Q or 10-K) and the auditor's report on those financial statements: <https://investors.abbvie.com/sec-filings>.
3. The AbbVie 2013 Incentive Stock Program: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.
4. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.

Copies of the documents listed above will be sent to you free of charge on written request to: Director, Equity Programs, AbbVie Inc., Dept. V58G, Bldg. AP34-2, 1 North Waukegan Road, North Chicago, IL 60064, USA.

#### **ROMANIA**

1. Termination. A Termination shall include the situation where the Employee's employment contract is terminated by operation of law on the date the Employee reaches the standard retirement age and has completed the minimum contribution record for receipt of state retirement pension or the relevant authorities award the Employee an early-retirement pension of any type.
2. English Language. The Employee hereby expressly agrees that this Agreement, the Program as well as all documents, notices and proceedings entered into, relating directly or indirectly hereto, be drawn up or communicated only in the English language. **Angajatul consimte în mod expres prin prezentul ca acest Contract, Programul precum și orice alte documente, notificări, înștiințări legate direct sau indirect de acest Contract să fie redactate sau efectuate doar în limba engleză.**

#### **RUSSIA**

1. Sale or Transfer of Shares. Notwithstanding anything to the contrary in the Program or the Agreement, the Employee shall not be permitted to sell or otherwise dispose of the Shares acquired pursuant to the Award in Russia. The Employee may sell the Shares only through a broker established and operating outside Russia. Any Shares issued upon vesting shall be delivered to the Employee through a brokerage account in the U.S. The Employee may hold the Shares in his or her brokerage account in the U.S.; however, in no event will Shares issued to the Employee under the Program be delivered to the Employee in Russia. The Employee is not permitted to sell Shares directly to other Russian legal entities or individuals.
2. Repatriation Requirements. The Employee agrees to promptly repatriate proceeds resulting from the sale of Shares acquired under the Program to a foreign currency account at an authorized bank in Russia if legally required at the time Shares are sold and to comply with all applicable local foreign exchange rules and regulations. Neither the Company nor any of its Subsidiaries shall be liable for any fines or penalties resulting from the Employee's failure to comply with applicable laws.

#### **SINGAPORE**

Qualifying Person Exemption. The grant of the Award under the Program is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (the "SFA"). The Program has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore and is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. The Employee should note that, as a result, the Award is subject to section 257 of the SFA and the Employee will not be able to make: (a) any subsequent sale of the Shares underlying the Award in Singapore; or (b) any offer of such subsequent sale of the Shares subject to the Award in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA.

## **SOUTH AFRICA**

1. Exchange Control Obligations. The Employee is solely responsible for complying with applicable exchange control regulations and rulings (the “*Exchange Control Regulations*”) in South Africa. As the Exchange Control Regulations change frequently and without notice, the Employee should consult the Employee’s legal advisor prior to the acquisition or sale of Shares under the Program to ensure compliance with current Exchange Control Regulations. Neither the Company nor any of its Subsidiaries shall be liable for any fines or penalties resulting from the Employee’s failure to comply with applicable laws, rules or regulations.

2. Securities Law Notice. In compliance with South African securities laws, the Employee acknowledges that the documents listed below are available for review at the web addresses listed below:

- a. AbbVie Inc.’s most recent Annual Report (Form 10-K): <https://investors.abbvie.com/sec-filings>.
- b. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.

The Employee understands that a copy of the above documents will be sent to the Employee free of charge on written request to: Director, Equity Programs, AbbVie Inc., Dept. V58G, Bldg. AP34-2, 1 North Waukegan Road, North Chicago, IL 60064, USA.

The Employee is advised to carefully read the materials provided before making a decision whether to participate in the Program and to contact the Employee’s tax advisor for specific information concerning the Employee’s personal tax situation with regard to Program participation.

## **SPAIN**

### 1. Acknowledgement of Discretionary Nature of the Program; No Vested Rights

By accepting the Award, the Employee consents to participation in the Program and acknowledges receipt of a copy of the Program.

The Employee understands that the Company has unilaterally, gratuitously and in its sole discretion granted Units under the Program to individuals who may be employees of the Company or its Subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any of its Subsidiaries on an ongoing basis. Consequently, the Employee understands that the Units are granted on the assumption and condition that the Units and the Shares acquired upon settlement of the Units shall not become a part of any employment contract (either with the Company or any of its Subsidiaries) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Employee understands that this grant would not be made to the Employee but for the assumptions and conditions referenced above; thus, the Employee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason the Award shall be null and void.

The Employee understands and agrees that, as a condition of the Award, unless otherwise provided in Section 4 of the Agreement, any unvested Units as of the date the Employee ceases active employment will be forfeited without entitlement to the underlying Shares or to any amount of indemnification in the event of Termination. The Employee acknowledges that the Employee has read and specifically accepts the conditions referred to in the Agreement regarding the impact of a Termination on the Units.

2. Termination for Cause. Notwithstanding anything to the contrary in the Program or the Agreement, “Cause” shall be as defined as set forth in the Agreement, regardless of whether the Termination is considered a fair termination (i.e., “despido procedente”) under Spanish legislation.

## **SWITZERLAND**

Securities Law Information. Neither this document nor any other materials relating to the Units

(i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services

("FinSA"), (ii) may be publicly distributed nor otherwise made publicly available in Switzerland to any

person other than an employee of the Company or (iii) has been or will be filed with, approved or

supervised by any Swiss reviewing body according to article 51 of FinSA or any Swiss regulatory

authority, including the Swiss Financial Market Supervisory Authority ("FINMA").

## **TUNISIA**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

## **UKRAINE**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

## **UNITED KINGDOM**

1. Payment of Taxes. Without limitation to Section 8 of the Agreement, the Employee hereby agrees that the Employee is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company or (if different) the Subsidiary that employs the Employee or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Employee also hereby agrees to indemnify and keep indemnified the Company and (if different) the Subsidiary that employs the Employee against any Tax-Related Items that they are required to pay or withhold on the Employee's behalf or have paid or will pay on the Employee's behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if the Employee is a director or executive officer (as within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that the Employee is a director or executive officer and income tax due is not collected from or paid by the Employee by within 90 days after the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected tax may constitute a benefit to the Employee on which additional income tax and national insurance contributions may be payable. The Employee acknowledges that the Employee ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Subsidiary that employs the Employee (as applicable) for the value of any employee national insurance contributions due on this additional benefit, which the Company and/or the Subsidiary that employs the Employee may recover from the Employee at any time thereafter by any of the means referred to in Section 8 of the Agreement.

2. Exclusion of Claim. The Employee acknowledges and agrees that the Employee will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from the Employee's ceasing to have rights under or to be entitled to the Units, whether or not as a result of Termination (whether the Termination is in breach of contract or otherwise), or from the loss or diminution in value of the Units. Upon the grant of the Award, the Employee shall be deemed to have waived irrevocably any such entitlement.

**VIETNAM**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

**ABBVIE INC.**  
**NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT AGREEMENT**

On this «Grant\_Day» day of «Grant\_Month», 2020 (the “Grant Date”), AbbVie Inc. (the “Company”) hereby grants to «First Name» «MI» «Last Name» (the “Director”) a Restricted Stock Unit Award (the “Award”) of «NoShares12345» restricted stock units (the “Units”) representing the right to receive an equal number of Shares on a specified Delivery Date.

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

The terms and conditions of the Award are as follows:

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

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

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

3. **Restrictions.** The Units shall be fully vested as of the Grant Date; provided, however, that the Units will be subject to subsections (3)(a), (b), and (c) below (collectively, the "*Restrictions*") until the earlier to occur of the events described in subsection 4(a) or (b).

- (a) The Units may not be sold, exchanged, assigned, transferred, pledged, or otherwise disposed of.
  - (b) Any additional Shares or other securities or property issued with respect to Shares covered by the Units as a result of any stock split, combination, stock dividend or recapitalization, shall be subject to the Restrictions and other provisions of the Program and this Agreement.
  - (c) The Director shall not be entitled to receive any Shares prior to completion of all actions deemed appropriate by the Company to comply with federal, state or other applicable securities laws and stock exchange requirements.
4. **Lapse of Restrictions.** The Restrictions shall lapse and have no further force or effect and Shares underlying the Units shall be settled upon the earlier of the following events (each, a “*Delivery Date*”):
- (a) **Termination Event.** The date of the Director’s Termination; or
  - (b) **Change in Control.** The date of occurrence of a Change in Control; provided that the event constituting a Change in Control is a “change in control event” as such term is defined in Treasury Regulation § 1.409A-3(i)(5).
5. **Withholding Taxes.** The Director may satisfy any U.S. or non-U.S. federal, state, local or other applicable taxes arising from the grant of the Award, the lapse of Restrictions or the delivery of Shares pursuant to this Agreement by:
- (a) tendering a cash payment;
  - (b) having the Company withhold Shares from the Shares to be delivered to satisfy the applicable withholding tax;
  - (c) tendering Shares received in connection with the Units back to the Company; or
  - (d) delivering other previously acquired Shares having a Fair Market Value approximately equal to the amount to be withheld.

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

Notwithstanding the foregoing, if the Director is subject to Section 16(b) of the Exchange Act, the Company will withhold using the method described in subsection 5(b) above unless



the use of such withholding method is problematic under applicable laws or has materially adverse accounting consequences, in which case the Committee shall determine which of the other methods described in this Section 5 or in the Program shall be used to satisfy the applicable withholding obligations.

6. **No Right to Continued Service.** This Agreement and the Director's participation in the Program is not and shall not be interpreted to:
  - (a) form a contractual or other relationship with the Company or its Subsidiaries;
  - (b) confer upon the Director any right to continue in the service of the Company or any of its Subsidiaries; or
  - (c) interfere with the ability of the Company or its Subsidiaries to terminate the Director's service at any time.
7. **No Contract as of Right.** The Award does not create any contractual or other right to receive additional Awards or other Program Benefits. Nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Director. Future Awards, if any, and their terms and conditions, will be at the sole discretion of the Committee.
8. **Data Privacy.**
  - (a) Pursuant to applicable personal data protection laws, the collection, processing and transfer of the Director's personal Data is necessary for the Company's administration of the Program and the Director's participation in the Program. The Director's denial and/or objection to the collection, processing and transfer of personal Data may affect his or her ability to participate in the Program. As such (where required under applicable law), the Director:
    - (i) voluntarily acknowledges, consents and agrees to the collection, use, processing and transfer of personal Data as described herein; and
    - (ii) authorizes Data recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Director's participation in the Program, including any requisite transfer of such Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Director's behalf to a broker or other third party with whom the Director may elect to deposit any Shares acquired pursuant to the Program.
  - (b) Data may be provided by the Director or collected, where lawful, from third parties, and the Company will process the Data for the exclusive purpose of implementing,

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

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

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

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

be able to participate in the Program if the Director fails to provide any such requested consent or agreement.

9. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Units, the Director's participation in the Program or the Director's acquisition or sale of the underlying Shares. The Director is hereby advised to consult with the Director's own personal tax, legal and financial advisors regarding participation in the Program before taking any action related to the Program.
10. **Entire Agreement.** This Agreement and the Program constitute the entire agreement between the Director and the Company regarding the Award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the Award. Except as expressly set forth herein, this Agreement (and any provision of this Agreement) may not be modified, changed or clarified by the parties, except in a writing specifying the modification, change or clarification signed by a duly authorized Company officer.
11. **Succession.** This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Director, the Director's Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.
12. **Compliance with Applicable Laws and Regulations.** The Company shall not be required to issue or deliver any Shares pursuant to this Agreement pending compliance with all applicable federal and state securities and other laws (including any registration requirements or tax withholding requirements) and compliance with the rules and practices of any stock exchange upon which the Company's Shares are listed. If the Director relocates to another country, the Company may establish special or alternate terms and conditions as necessary or advisable to comply with local laws, rules or regulations, to facilitate the operation and administration of the Award and the Program and/or to accommodate the Director's relocation.
13. **Code Section 409A.** Payments made pursuant to this Agreement are intended to be exempt from or otherwise comply with the provisions of Code Section 409A to the extent applicable. The Program and this Agreement shall be administered and interpreted in a manner consistent with this intent. If the Company determines that any payments under this Agreement are subject to Code Section 409A and this Agreement fails to comply with that section's requirements, the Company may, at the Company's sole discretion, and without

the Director's consent, amend this Agreement to cause it to comply with Code Section 409A or otherwise be exempt from Code Section 409A.

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

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

14. **Determinations.** Each decision, determination, interpretation or other action made or taken pursuant to the provisions of this Agreement by the Company, the Committee or any delegate of the Committee shall be final, conclusive and binding for all purposes and upon all persons, including, without limitation, the Company, the Director, the Director's Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.
15. **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision

to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

16. **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any state's conflict of laws principles. For any legal action relating to this Agreement, the parties to this Agreement consent to the exclusive jurisdiction and venue of the federal courts of the Northern District of Illinois, USA, and, if there is no jurisdiction in federal court, to the exclusive jurisdiction and venue of the state courts in Lake County, Illinois, USA.

\* \* \*

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

ABBVIE INC.

By \_\_\_\_\_

Title \_\_\_\_\_

DIRECTOR

By: SIGNED BY ELECTRONIC SIGNATURE

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

**ABBVIE INC.**  
**NON-QUALIFIED STOCK OPTION AGREEMENT**

On this «Grant\_Day» day of «Grant\_Month», 2020 (the “Grant Date”), AbbVie Inc. (the “Company”) hereby grants to «First Name» «MI» «Last Name» (the “Employee”) an Option (the “Option”) to purchase a total of «NQSOS» Shares, at the price of \$«Option\_Price» per Share (the “Exercise Price”), such price being not less than 100% of the Fair Market Value of the Shares on the Grant Date.

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

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

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

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

- (v) the failure by the Company to award the Employee equity-based incentive compensation (such as stock options, shares of restricted stock, restricted stock units, or other equity-based compensation) on a periodic basis consistent with the Company's practices with respect to timing, value and terms prior to the Change in Control;
- (vi) the failure by the Company or a Subsidiary to continue to provide the Employee with the welfare benefits, fringe benefits and perquisites enjoyed by the Employee immediately prior to the Change in Control under any of the Company's or Subsidiary's plans or policies, including, but not limited to, those plans and policies providing pension, life insurance, medical, health and accident, disability and vacation;
- (vii) the relocation of the Employee's base office to a location that is more than 35 miles from the Employee's base office immediately prior to the Change in Control; or
- (viii) the failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement as contemplated in Section 5.
- (j) *Option:* The Non-Qualified Stock Option granted pursuant to this Agreement.
- (k) *Program:* The AbbVie 2013 Incentive Stock Program.
- (l) *Retirement:*



- (i) Except as provided under (ii) or (iii) below, Retirement means either of the following:
    - age 55 with 10 years of service; or
    - age 65 with at least three years of service.
  - (ii) For Employees who (A) are not covered by (iii) below and (B) transferred to the Company directly from Abbott Laboratories either as a result of the Company's spin-off from Abbott Laboratories or during the period from January 1, 2013 through June 30, 2015 with the consent of each company's head of human resources and were hired into the Abbott Laboratories controlled group prior to January 1, 2004, Retirement means any of the following:
    - age 50 with 10 years of service;
    - age 65 with at least three years of service; or
    - age 55 with an age and service combination of 70 points, where each year of age is one point and each year of service is one point.
  - (iii) For participants in the AbbVie Pension Plan for Former BASF and Former Solvay Employees, Retirement means either of the following:
    - age 55 with 10 years of service; or
    - age 65 with at least three years of service.
  - (iv) For purposes of calculating service under this Section 1(m), except as otherwise provided by the Committee or its delegate: (A) service is earned only if performed for a member of the Controlled Group while that Controlled Group member is a part of the Controlled Group; and (B) for Employees who transferred to the Company directly from Abbott Laboratories during the period from January 1, 2013 through June 30, 2015 either as a result of the Company's spin-off from Abbott Laboratories or with the consent of each company's head of human resources, service includes service with Abbott Laboratories that is counted for benefit calculation purposes under the AbbVie Pension Plan, the AbbVie Pension Plan for Former BASF and Former Solvay Employees, or another Company-sponsored pension plan, as applicable.
- (m) *Termination:* A severance of employment for any reason (including Retirement) from the Company and all Subsidiaries. Any Termination shall be effective on the last day the Employee performs services for or on behalf of the Company or its Subsidiary, and employment shall not be extended by any statutory or common law notice of termination period.
2. **Term of Option.** Subject to Sections 5 and 7, the Employee may exercise all or a portion of the vested Option at any time prior to the 10th anniversary of the Grant Date (the "*Expiration Date*"); provided that the Option may be exercised with respect to whole Shares only. In no event shall the Option be exercisable on or after the Expiration Date. To the extent the Option is not exercised prior

to the Expiration Date (or any earlier expiration of the Option pursuant to Sections 5 and 7), it shall be canceled and forfeited.

3. **Vesting.** The Option shall vest and become exercisable as follows:

- (j) on the first anniversary of the Grant Date, one-third of the total number of Shares may be purchased;
- (k) on the second anniversary of the Grant Date, two-thirds of the total number of Shares may be purchased; and
- (l) on the third anniversary of the Grant Date, the Option may be exercised in full.

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

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

(j) **Who May Hold/Exercise the Option.**

- (i) **General Rule - Exercise by Employee Only.** During the lifetime of the Employee, the Option may be exercised only by the Employee or the Employee's Representative.
- (ii) **Death Exception.** If the Employee dies, then the Option may be exercised only by the executor or administrator of the estate of the Employee or the person or persons to whom rights under the Option have passed by will or the laws of descent or distribution. Such person(s) shall furnish the appropriate tax clearances, proof of the right of such person(s) to exercise the Option, and other pertinent data as the Company may deem necessary.
- (iii) **Transferability.** Except as otherwise provided by the Committee or its delegate, the Option is not transferable other than by will or the laws of descent and distribution. It may not be assigned, transferred (except by will or the laws of descent and distribution), pledged or hypothecated in any way, whether by operation of law or otherwise, and shall not be subject to execution, attachment, or similar process. Any attempt at assignment, transfer, pledge, hypothecation, or other disposition of the Option contrary to the provisions hereof, and the levy of any attachment or similar process upon such Option, shall be null and void.

(k) **Method of Exercise.** Subject to the requirements of local law, the Option may be exercised only by:

- (i) delivery to the designated employee or agent of the Company of a written, electronic, or telephonic notice of exercise, specifying the number of Shares with respect to which the Option is then being exercised, and payment of the full

Exercise Price of the Shares being purchased in cash or with other Shares held by the Employee having a then Fair Market Value equal to the Exercise Price;

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

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

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

- (l) **Payment of Taxes.** To the extent permitted under applicable law and by the Company, the Employee may satisfy any U.S. or non-U.S. federal, state, local or other applicable taxes arising from any transaction related to the exercise of the Option pursuant to this Agreement by:

- (i) tendering a cash payment;
- (ii) having the Company withhold Shares from the Option exercised to satisfy the applicable withholding tax;
- (iii) tendering Shares received in connection with the Option back to the Company; or
- (iv) delivering other previously acquired Shares having a Fair Market Value approximately equal to the amount to be withheld.

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

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

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

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

assume, convert or replace this Option, the Option shall vest on the date of the Change in Control. If the Surviving Entity does assume, convert or replace this Option, then in the event the Employee's Termination (a) occurs within the time period beginning six months immediately before a Change in Control and ending two years immediately following such Change in Control, and (b) was initiated by the Company (or the Surviving Entity) for a reason other than Cause or was initiated by the Employee for Good Reason, the Option will become fully vested and exercisable as of the later of the date of the Change in Control and the date of the Employee's Termination. The provisions of this Section 6 shall supersede Section 13(a)(i) of the Program.

7. **Effect of Certain Bad Acts.** The Option shall be cancelled and forfeited immediately if, in the sole opinion and discretion of the Committee or its delegate, the Employee:
- (j) commits a material breach of the terms and conditions of the Employee's employment, including, but not limited to:
    - (i) material breach by the Employee of the Code of Business Conduct;
    - (ii) material breach by the Employee of the Employee's Employee Agreement or employment contract, if any;
    - (iii) commission by the Employee of an act of fraud, embezzlement or theft in connection with the Employee's duties or in the course of the Employee's employment;
    - (iv) wrongful disclosure by the Employee of secret processes or confidential information of the Company or any of its Subsidiaries; or
    - (v) failure by the Employee to substantially perform the duties of the Employee's employment (other than any such failure resulting from the Employee's Disability); or
  - (k) to the extent permitted by applicable law, engagement by the Employee, directly or indirectly, for the benefit of the Employee or others, in any activity, employment or business which is competitive with the Company or any of its Subsidiaries.
8. **No Right to Continued Employment.** This Agreement and the Employee's participation in the Program do not and shall not be interpreted to:
- (j) form an employment contract or relationship with the Company or its Subsidiaries;
  - (k) confer upon the Employee any right to continue in the employ of the Company or any of its Subsidiaries; or
  - (l) interfere with the ability of the Company or its Subsidiaries to terminate the Employee's employment at any time.
9. **Nature of Grant.** In accepting this Option grant, the Employee acknowledges and agrees that:
- (a) the Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

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

10. **Data Privacy.**

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

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

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

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

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

11. **Private Placement.** This Option grant is not intended to be a public offering of securities in the Employee's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this Option grant is not subject to the supervision of the local securities authorities.

12. **Exchange Controls.** As a condition to this Option grant, the Employee agrees to comply with any applicable foreign exchange rules and regulations.

13. **Compliance with Applicable Laws and Regulations.**

(a) The Company shall not be required to issue or deliver any Shares pursuant to this Agreement pending compliance with all applicable federal and state securities and other laws (including any registration requirements or tax withholding requirements) and compliance with the rules and practices of any stock exchange upon which the Company's Shares are listed.

(b) Regardless of any action the Company or its Subsidiaries take with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Employee's participation in the Program and legally applicable to the Employee or deemed by the Company or its Subsidiaries to be an appropriate charge to the Employee even if technically due by the Company or its Subsidiaries ("*Tax-Related Items*"), the Employee acknowledges that the ultimate liability for all Tax-Related Items is and remains the Employee's responsibility and may exceed the amount actually withheld by the Company or its Subsidiaries, if any. The Employee further acknowledges that the Company and/or its Subsidiaries: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the issuance of Shares upon exercise of the Option, the subsequent sale of Shares acquired pursuant to such issuance and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Employee's liability for Tax-Related Items or achieve any particular tax result. If the Employee has become subject to tax in more than one jurisdiction between the date of grant and the date of any relevant taxable event, the Employee acknowledges that the



Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction. If the Employee relocates to another country, the Company may establish special or alternative terms and conditions as necessary or advisable to comply with local laws, rules or regulations, to facilitate the operation and administration of the Option and the Program and/or to accommodate the Employee's relocation.

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

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

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

15. **No Advice Regarding Grant.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Option, the Employee's participation in the Program or the Employee's acquisition or sale of the underlying Shares. The Employee is hereby

advised to consult with the Employee's own personal tax, legal and financial advisors regarding participation in the Program before taking any action related to the Program.

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

21. **Entire Agreement.** This Agreement and the Program constitute the entire agreement between the Employee and the Company regarding the Option and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the Option. Except as expressly set forth herein, this Agreement (and any provision of this Agreement) may not be modified, changed or clarified by the parties, except in a writing specifying the modification, change or clarification signed by a duly authorized Company officer.
22. **Succession.** This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Employee, the Employee's Representative, and the person or persons to whom rights under the Option have passed by will or the laws of descent or distribution.
23. **Language.** The Employee acknowledges and agrees that it is the Employee's express intent that this Agreement, the Program and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Employee is in a country where English is not an official language, the Employee acknowledges that he or she is sufficiently proficient in English or has had the ability to consult with an advisor who is sufficiently proficient in the English language, so as to allow the Employee to understand the terms and conditions of this Agreement, the Program and any other documents related to the Option. If the Employee has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
24. **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any state's conflict of laws principles. For any legal action relating to this Agreement, the parties to this Agreement consent to the exclusive jurisdiction and venue of the federal courts of the Northern District of Illinois, USA, and, if there is no jurisdiction in federal court, to the exclusive jurisdiction and venue of the state courts in Lake County, Illinois, USA.

\* \* \*

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

ABBVIE INC.

By \_\_\_\_\_

Title \_\_\_\_\_

EMPLOYEE

By: SIGNED BY ELECTRONIC SIGNATURE

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

**ADDENDUM TO THE ABBVIE INC.  
NON-QUALIFIED STOCK OPTION AGREEMENT**

In addition to the terms and conditions set forth in the Agreement, the Option is subject to the following terms and conditions. If the Employee is employed in a country or jurisdiction identified in this Addendum, the additional terms and conditions for such country or jurisdiction will apply. If the Employee relocates to one of the countries or jurisdictions identified in this Addendum, the special terms and conditions for such country or jurisdiction will apply to the Employee, to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Option and the Program (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Employee's relocation).

All defined terms contained in this Addendum shall have the same meaning as set forth in the Program.

**EUROPEAN UNION ("EU") / EUROPEAN ECONOMIC AREA ("EEA") COUNTRIES, SWITZERLAND AND THE UNITED KINGDOM**

Data Privacy. The following provision replaces Section 10 of the Agreement in its entirety:

Pursuant to applicable personal data protection laws, the Employee is hereby notified of the following in relation to the Employee's Personal Data (defined below) and the collection, processing and transfer in electronic or other form of such Personal Data in relation to the administration of the Program. The collection, processing and transfer of Personal Data is necessary for the legitimate purpose of the administration of the Program by the Company and the Subsidiary that employs the Employee and the Employee's participation in the Program, and the Employee's denial and/or objection to the collection, processing and transfer of Personal Data may affect his or her participation in the Program. As such, by participating in the Program, the Employee acknowledges the collection, use, processing and transfer of Personal Data as described herein.

The Employee understands that the Company and the Subsidiary that employs the Employee may hold certain personally identifiable information about the Employee, specifically his or her name, home address, email address and telephone number, date of birth, social security, passport or other identification number (resident registration number), salary, nationality, job title, any Shares or directorships held in the Company or its Subsidiaries, details of all entitlements to Shares (or cash) granted, awarded, canceled, vested, unvested or outstanding in the Employee's favor, for the purpose of managing and administering the Program ("*Personal Data*"). The Personal Data may be provided by the Employee or collected, where lawful, from third parties. The Company or the Subsidiary that employs the Employee each act as controllers of the Personal Data and will process the Personal Data in this context for the exclusive legitimate purpose of implementing, administering and managing the Employee's participation in the Program and meeting related legal obligations associated with these actions.

The processing will take place through electronic and non-electronic means according to logics and procedures correlated to the purposes for which the Personal Data was collected and with confidentiality and security provisions as set forth by applicable laws and regulations. Personal Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Program and other aspects of the employment relationship and for the Employee's participation in the Program.

The Company and the Subsidiary that employs the Employee will transfer Personal Data amongst themselves and their affiliates as necessary for the purpose of implementation, administration and management of the Employee's participation in the Program, and the Company and the Subsidiary that employs the Employee may each further transfer Personal Data to third parties assisting the Company or the Subsidiary that employs the Employer in the implementation, administration and management of the Program, including E\*TRADE Financial Corporate Services Inc. and its affiliates ("*E\*TRADE*") or any successor or other third party that the Company, the Subsidiary that employs the Employee or E\*TRADE (or its successor) may engage to assist with the administration of the Program from time to time. These recipients may be located in the EU, EEA, Switzerland, the United Kingdom or elsewhere throughout the world, such as the United States. By participating in the Program, the Employee understand that these recipients may receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for purposes of

implementing, administering and managing the Employee's participation in the Program, including any requisite transfer of such Personal Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Employee's behalf to a broker or other third party with whom the Employee may elect to deposit any Shares acquired pursuant to the Program. The Employee further understands that he or she may request a list with the names and addresses of any potential recipients of Personal Data by contacting the Employee's local Human Resources manager or AbbVie's Human Resources Department. When transferring Personal Data to these potential recipients, the Company and the Subsidiary that employs the Employee may provide appropriate safeguards in accordance with EU Standard Contractual Clauses, or other legally binding and permissible arrangements. The Employee may request a copy of such safeguards from the Employee's local Human Resources manager or AbbVie's Human Resources Department.

To the extent provided by law, the Employee may, at any time, have the right to request: access to Personal Data, rectification of Personal Data, erasure of Personal Data, restriction of processing of Personal Data, and portability of Personal Data. The Employee may also have the right to object, on grounds related to a particular situation, to the processing of Personal Data, in any case without cost, by contacting in writing the Employee's local Human Resources manager or AbbVie's Human Resources Department. The Employee understands, however, that the only consequence of refusing to provide Personal Data is that the Company may not be able to grant the Option or other equity awards or administer or maintain such awards.

When the Company and the Subsidiary that employs the Employee no longer need to use Personal Data for the purposes above or do not need to retain it for compliance with any legal or regulatory purpose, each will take reasonable steps to remove Personal Data from their systems and/or records containing the Personal Data and/or take steps to properly anonymize it so that the Employee can no longer be identified from it.

### **AUSTRALIA**

1. Breach of Law. Notwithstanding anything to the contrary in the Agreement or the Program, the Employee will not be entitled to, and shall not claim any benefit (including without limitation a legal right) under the Program if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth), any other provision of that Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits.

2. Australian Offer Document. In addition to the Agreement and the Program, the Employee must review the Australian Offer Document for additional important information pertaining to the Option. This document can be accessed via the E\*TRADE website at <https://us.etrade.com/stock-plans>. By accepting the Option, the Employee acknowledges and confirms that the Employee has reviewed the Australian Offer Document.

3. Tax Information. The Program is a program to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in that Act).

### **BAHRAIN**

Securities Notification. This Agreement does not constitute advertising or an offering of securities in Bahrain, nor does it constitute an allotment of securities in Bahrain. Any Shares issued pursuant to the Option under the Program shall be deposited into a brokerage account in the United States. In no event will Shares be issued or delivered in Bahrain. The issuance of Shares pursuant to the Option described herein has not and will not be registered in Bahrain and hence, the Shares described herein may not be admitted or used for offering, placement or public circulation in Bahrain. Accordingly, the Employee may not make any public advertising or announcements regarding the Option or Shares in Bahrain, promote these Shares to legal entities or individuals in Bahrain, or sell Shares directly to other legal entities or individuals in Bahrain. The Employee acknowledges and agrees that Shares may only be sold outside of Bahrain and on a stock exchange on which AbbVie is traded.

### **BRAZIL**

Labor Law Acknowledgment. The Employee agrees, for all legal purposes, (i) the Benefits provided under the Agreement and the Program are the result of commercial transactions unrelated to the Employee's employment; (ii)

the Agreement and the Program are not a part of the terms and conditions of the Employee's employment; and (iii) the income from the Option, if any, is not part of the Employee's remuneration from employment.

## **CANADA**

1. English Language. The parties to the Agreement acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. ***Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.***

2. Exercise of the Option – No Tendering Previously-Owned Shares. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement or Program to the contrary, if the Employee is resident in Canada, the Employee may not tender Shares that the Employee owns to pay the Exercise Price or taxes in connection with the Option.

3. Resale Restriction. The Employee is permitted to sell Shares acquired upon settlement of the Option through the designated broker appointed under the Program, provided the resale of Shares acquired under the Program takes place outside of Canada through the facilities of the stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

## **CHILE**

Private Placement. The following provision shall replace Section 11 of the Agreement:

The grant of the Option hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement.

- a) The starting date of the offer will be the Grant Date (as defined in the Agreement), and this offer conforms to General Ruling no. 336 of the Chilean Commission for the Financial Market;
  - b) The offer deals with securities not registered in the registry of securities or in the registry of foreign securities of the Chilean Commission for the Financial Market, and therefore such securities are not subject to its oversight;
  - c) The issuer is not obligated to provide public information in Chile regarding the foreign securities, as such securities are not registered with the Chilean Commission for the Financial Market; and
  - d) The foreign securities shall not be subject to public offering as long as they are not registered with the corresponding registry of securities in Chile.
- a) *La fecha de inicio de la oferta será el de la fecha de otorgamiento (o "Grant Date", según este término se define en el documento denominado "Agreement") y esta oferta se acoge a la norma de Carácter General n° 336 de la Comisión para el Mercado Financiero Chilena;*
  - b) *La oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la Comisión para el Mercado Financiero Chilena, por lo que tales valores no están sujetos a la fiscalización de ésta;*
  - c) *Por tratar de valores no inscritos no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores; y*
  - d) *Esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.*

## **CHINA**

The following provisions shall govern the Employee's participation in the Program if the Employee is a national of the People's Republic of China ("*China*") resident in mainland China, or if determined to be necessary or appropriate by the Company in its sole discretion:

1. Mandatory Full Cashless Exercise. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, the Option may be exercised only by using the cashless method, except as otherwise determined by the Company. Only full cashless exercise (net proceeds remitted to the Employee in cash) will be permitted. Cash, cashless sell-to-cover, or stock swap methods of exercise are prohibited.
2. Foreign Exchange Control Laws. As a condition of the Option, the Employee understands and agrees that, due to the exchange control laws in China, the Employee will be required to immediately repatriate the cash proceeds resulting from the cashless exercise of the Option to China.

The Employee understands and agrees that the repatriation of sales proceeds may need to be effected through a special exchange control account established by the Company or its Subsidiaries, and the Employee hereby consents and agrees that sales proceeds from the sale of Shares acquired under the Program may be transferred to such account by the Company on the Employee's behalf prior to being delivered to the Employee. The sales proceeds may be paid to the Employee in U.S. dollars or local currency at the Company's discretion. If the sales proceeds are paid to the Employee in U.S. dollars, the Employee understands that the Employee will be required to set up a U.S. dollar bank account in China so that the proceeds may be deposited into this account. If the sales proceeds are paid to the Employee in local currency, the Employee acknowledges that the Company is under no obligation to secure any particular exchange conversion rate and that the Company may face delays in converting the proceeds to local currency due to exchange control restrictions. The Employee agrees to bear any currency fluctuation risk between the time the Shares are sold and the net proceeds are converted into local currency and distributed to the Employee. The Employee further agrees to comply with any other requirements that may be imposed by the Company or its Subsidiaries in China in the future to facilitate compliance with exchange control requirements in China. The Employee acknowledges and agrees that the processes and requirements set forth herein shall continue to apply following the Employee's Termination.

Notwithstanding anything to the contrary in the Program or the Agreement, in the event of an Employee's Termination other than due to Retirement, the Employee shall be required to exercise the Option (to the extent outstanding, vested and otherwise permitted under the Agreement) and/or sell all Shares issued pursuant to the Program no later than 90 days after the date of Termination (or such shorter period as may be required by the State Administration of Foreign Exchange ("*SAFE*") or the Company), and repatriate the sales proceeds to China in the manner designated by the Company. Notwithstanding the foregoing, in the event of an Employee's Termination by reason of Retirement, the Employee shall be required to exercise the Option (to the extent outstanding, vested and otherwise permitted under the Agreement) and/or sell all Shares issued pursuant to the Program no later than 180 days after the date of such Retirement (or such shorter period as may be required by the *SAFE* or the Company), and repatriate the sales proceeds to China in the manner designated by the Company. Any Options that remain unexercised after such date shall expire.

Neither the Company nor any of its Subsidiaries shall be liable for any costs, fees, lost interest or dividends or other losses the Employee may incur or suffer resulting from the enforcement of the terms of this Addendum or otherwise from the Company's operation and enforcement of the Program, the Agreement and the Option in accordance with Chinese law including, without limitation, any applicable *SAFE* rules, regulations and requirements.

## **CROATIA**

Mandatory Full Cashless Exercise. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, the Option may be exercised only by using the cashless method, except as otherwise determined by the Company. Only full cashless exercise (net proceeds remitted to the Employee in cash) will be permitted. Cash, cashless sell-to-cover, or stock swap methods of exercise are prohibited.



## **DENMARK**

The Act on Stock Options. Notwithstanding any provisions in the Agreement to the contrary, the treatment of the Option upon the Employee's Termination shall be governed by the Danish Act on the Use of Rights to Purchase or Subscribe for Shares etc. in Employment Relationships (the "Stock Option Act") as in effect at the time of the Employee's Termination (as determined by the Company, in its discretion, in consultation with legal counsel). The Employee acknowledges having received an "Employer Information Statement" in Danish, which is provided to comply with the Stock Option Act.

## **FINLAND**

Withholding of Tax-Related Items. Notwithstanding anything in Section 4(c) of the Agreement to the contrary, if the Employee is a local national of Finland, any Tax-Related Items shall be withheld only in cash from the Employee's regular salary/wages or other amounts payable to the Employee in cash, or such other withholding methods as may be permitted under the Program and allowed under local law.

## **FRANCE**

1. Nature of the Award. The Option is not granted under the French specific regime provided by Articles L225-177-1 and seq. of the French commercial code.
2. English Language. The parties to the Agreement acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. ***Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.***

## **HONG KONG**

1. Exercise of Option. If, for any reason, the Employee exercises the Option within six months of the Grant Date, the Employee agrees that he or she will not sell or otherwise dispose of any such Shares prior to the six-month anniversary of the Grant Date.
2. IMPORTANT NOTICE. WARNING: The contents of the Agreement, the Addendum, the Program, and all other materials pertaining to the Option and/or the Program have not been reviewed by any regulatory authority in Hong Kong. The Employee is hereby advised to exercise caution in relation to the offer thereunder. If the Employee has any doubts about any of the contents of the aforesaid materials pertaining to the Option, the Employee should obtain independent professional advice.
3. Wages. The Option and Shares underlying the Option do not form part of the Employee's wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

## **ISRAEL**

Trustee Arrangement. The Employee agrees to hold the Shares received upon exercise of the Option with the Company's designated broker. The Employee understands and agrees that upon the Employee's sale of Shares, unless otherwise determined by the Company, (a) the repatriation of sales proceeds shall be effected through a trustee in Israel engaged by the Company (the "Trustee"), (b) the Trustee will withhold the requisite tax and other mandatory withholding (e.g., National Insurance payments) from the sales proceeds and (c) the Trustee will transfer the remaining sale proceeds (net of the requisite tax and other mandatory withholding) to the Employee. The Employee acknowledges and agrees that the process and requirements set forth herein shall continue to apply following the Employee's Termination.

## **ITALY**

Mandatory Full Cashless Exercise. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, the Option may be exercised only by using the cashless method, except as otherwise determined by

the Company. Only full cashless exercise (net proceeds remitted to the Employee in cash) will be permitted. Cash, cashless sell-to-cover, or stock swap methods of exercise are prohibited.

## **MEXICO**

1. Commercial Relationship. The Employee expressly acknowledges that the Employee's participation in the Program and the Company's grant of the Option does not constitute an employment relationship between the Employee and the Company. The Employee has been granted the Option as a consequence of the commercial relationship between the Company and the Company's Subsidiary in Mexico that employs the Employee, and the Company's Subsidiary in Mexico is the Employee's sole employer. Based on the foregoing: (a) the Employee expressly acknowledges that the Program and the benefits derived from participation in the Program do not establish any rights between the Employee and the Subsidiary in Mexico that employs the Employee; (b) the Program and the benefits derived from participation in the Program are not part of the employment conditions and/or benefits provided by the Subsidiary in Mexico that employs the Employee; and (c) any modifications or amendments of the Program or benefits granted thereunder by the Company, or a termination of the Program by the Company, shall not constitute a change or impairment of the terms and conditions of the Employee's employment with the Subsidiary in Mexico that employs the Employee.

2. Extraordinary Item of Compensation. The Employee expressly recognizes and acknowledges that the Employee's participation in the Program is a result of the discretionary and unilateral decision of the Company, as well as the Employee's free and voluntary decision to participate in the Program in accordance with the terms and conditions of the Program, the Agreement and this Addendum. As such, the Employee acknowledges and agrees that the Company, in its sole discretion, may amend and/or discontinue the Employee's participation in the Program at any time and without any liability. The value of the Option is an extraordinary item of compensation outside the scope of the Employee's employment contract, if any. The Option is not part of the Employee's regular or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or any similar payments, which are the exclusive obligations of the Company's Subsidiary in Mexico that employs the Employee.

## **NETHERLANDS**

Waiver of Termination Rights. The Employee waives any and all rights to compensation or damages as a result of a Termination, insofar as those rights result or may result from: (a) the loss or diminution in value of such rights or entitlements under the Program; or (b) the Employee ceasing to have rights, or ceasing to be entitled to any awards, under the Program as a result of such Termination.

## **NEW ZEALAND**

Securities Law Notice. The following securities notification applies for an offer of an Option on or after December 1, 2016:

### **Warning**

This is an offer of an Option which, upon exercise and settlement in accordance with the terms of the Program and the Agreement, will be converted into Shares. Shares give you a stake in the ownership of AbbVie Inc. You may receive a return if dividends are paid.

If AbbVie Inc. runs into financial difficulties and is wound up, you will be paid only after all creditors and holders of preference shares have been paid. You may lose some or all of your investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision. The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing.

Prior to the exercise and settlement of the Option, you will not have any rights of ownership (e.g., voting or dividend rights) with respect to the underlying Shares.

No interest in any Option may be transferred (legally or beneficially), assigned, mortgaged, charged or encumbered.

The Shares are quoted on the New York Stock Exchange. This means that if you acquire Shares under the Program, you may be able to sell them on the New York Stock Exchange if there are interested buyers. You may get less than you invested. The price will depend on the demand for the Shares.

You also are hereby notified that the documents listed below are available for review on sites at the web addresses listed below:

1. AbbVie Inc.'s most recent Annual Report (Form 10-K): <https://investors.abbvie.com/sec-filings>.
2. AbbVie Inc.'s most recent published financial statements (Form 10-Q or 10-K) and the auditor's report on those financial statements: <https://investors.abbvie.com/sec-filings>.
3. The AbbVie 2013 Incentive Stock Program: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.
4. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.

Copies of the documents listed above will be sent to you free of charge on written request to: Director, Equity Programs, AbbVie Inc., Dept. V58G, Bldg. AP34-2, 1 North Waukegan Road, North Chicago, IL 60064, USA.

#### **ROMANIA**

1. Termination. A Termination shall include the situation where the Employee's employment contract is terminated by operation of law on the date the Employee reaches the standard retirement age and has completed the minimum contribution record for receipt of state retirement pension or the relevant authorities award the Employee an early-retirement pension of any type.
2. English Language. The Employee hereby expressly agrees that this Agreement, the Program as well as all documents, notices and proceedings entered into, relating directly or indirectly hereto, be drawn up or communicated only in the English language. **Angajatul consimte în mod expres prin prezentul ca acest Contract, Programul precum și orice alte documente, notificări, înștiințări legate direct sau indirect de acest Contract să fie redactate sau efectuate doar în limba engleză.**

#### **RUSSIA**

1. Sale or Transfer of Shares. Notwithstanding anything to the contrary in the Program or the Agreement, the Employee shall not be permitted to sell or otherwise dispose of the Shares acquired pursuant to the Option in Russia. The Employee may sell the Shares only through a broker established and operating outside Russia. Any Shares issued upon exercise of the Option shall be delivered to the Employee through a brokerage account in the U.S. The Employee may hold the Shares in his or her brokerage account in the U.S.; however, in no event will Shares issued to the Employee under the Program be delivered to the Employee in Russia. The Employee is not permitted to sell Shares directly to other Russian legal entities or individuals.
2. Repatriation Requirements. The Employee agrees to promptly repatriate proceeds resulting from the sale of Shares acquired under the Program to a foreign currency account at an authorized bank in Russia if legally required at the time Shares are sold and to comply with all applicable local foreign exchange rules and regulations. Neither

the Company nor any of its Subsidiaries shall be liable for any fines or penalties resulting from the Employee's failure to comply with applicable laws.

## **SINGAPORE**

Qualifying Person Exemption. The grant of the Option under the Program is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (the "SFA"). The Program has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore and is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. The Employee should note that, as a result, the Option is subject to section 257 of the SFA and the Employee will not be able to make: (a) any subsequent sale of the Shares in Singapore; or (b) any offer of such subsequent sale of the Shares subject to the Option in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA.

## **SOUTH AFRICA**

1. Exchange Control Obligations. The Employee is solely responsible for complying with applicable exchange control regulations and rulings (the "Exchange Control Regulations") in South Africa. As the Exchange Control Regulations change frequently and without notice, the Employee should consult the Employee's legal advisor prior to the acquisition or sale of Shares under the Program to ensure compliance with current Exchange Control Regulations. Neither the Company nor any of its Subsidiaries shall be liable for any fines or penalties resulting from the Employee's failure to comply with applicable laws.

2. Securities Law Notice. In compliance with South African securities laws, the Employee acknowledges that the documents listed below are available for review at the web addresses listed below:

- a. AbbVie Inc.'s most recent Annual Report (Form 10-K): <https://investors.abbvie.com/sec-filings>.
- b. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.

The Employee understands that copies of the documents listed above will be sent to the Employee free of charge on written request to: Director, Equity Programs, AbbVie Inc., Dept. V58G, Bldg. AP34-2, 1 North Waukegan Road, North Chicago, IL 60064, USA.

The Employee is advised to carefully read the materials provided before making a decision whether to participate in the Program and to contact the Employee's tax advisor for specific information concerning the Employee's personal tax situation with regard to Program participation.

## **SPAIN**

1. Acknowledgement of Discretionary Nature of the Program; No Vested Rights.

By accepting the Option grant, the Employee consents to participation in the Program and acknowledges receipt of a copy of the Program.

The Employee understands that the Company has unilaterally, gratuitously and in its sole discretion granted Options under the Program to individuals who may be employees of the Company or its Subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any of its Subsidiaries on an ongoing basis. Consequently, the Employee understands that the Option is granted on the assumption and condition that the Option and the Shares acquired upon exercise of the Option shall not become a part of any employment contract (either with the Company or any of its Subsidiaries) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Employee understands that this grant would not be made to the Employee but for the assumptions and conditions referenced above; thus, the Employee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, the Option grant shall be null and void.

The Employee understands and agrees that, as a condition of the Option grant, unless otherwise provided in Section 5 of the Agreement, any unvested Option as of the date the Employee ceases active employment, and any vested portion of the Option not exercised within the post-termination exercise period set out in the Agreement, will be forfeited without entitlement to the underlying Shares or to any amount of indemnification in the event of Termination. The Employee acknowledges that the Employee has read and specifically accepts the conditions referred to in the Agreement regarding the impact of a Termination on the Option.

2. Termination for Cause. Notwithstanding anything to the contrary in the Program or the Agreement, "Cause" shall be defined as set forth in the applicable Change in Control Agreement, regardless of whether the Termination is considered a fair termination (i.e., "despido procedente") under Spanish legislation.

#### **SWEDEN**

Exercise Procedures. Notwithstanding any provision in the Agreement to the contrary, if the Employee is a resident in Sweden, the Company may not limit the exercise method of the Option only to a cashless exercise.

#### **SWITZERLAND**

Securities Law Information. Neither this document nor any other materials relating to the Option (i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("*FinSA*"), (ii) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company or (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of *FinSA* or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority ("*FINMA*").

#### **UNITED KINGDOM**

1. Payment of Taxes. Without limitation to Section 4 of the Agreement, the Employee hereby agrees that the Employee is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company or (if different) the Subsidiary that employs the Employee or by Her Majesty's Revenue & Customs ("*HMRC*") (or any other tax authority or any other relevant authority). The Employee also hereby agrees to indemnify and keep indemnified the Company and (if different) the Subsidiary that employs the Employee against any Tax-Related Items that they are required to pay or withhold on the Employee's behalf or have paid or will pay on the Employee's behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if the Employee is a director or executive officer (as within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that the Employee is a director or executive officer and income tax due is not collected from or paid by the Employee by within 90 days after the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected tax may constitute a benefit to the Employee on which additional income tax and national insurance contributions may be payable. The Employee acknowledges that the Employee ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Subsidiary that employs the Employee (as applicable) for the value of any employee national insurance contributions due on this additional benefit,

which the Company and/or the Subsidiary that employs the Employee may recover from the Employee at any time thereafter by any of the means referred to in Section 4 of the Agreement.

2. Exclusion of Claim. The Employee acknowledges and agrees that the Employee will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from the Employee's ceasing to have rights under or to be entitled to exercise the Option, whether or not as a result of Termination (whether the Termination is in breach of contract or otherwise), or from the loss or diminution in value of the Option. Upon the grant of the Option, the Employee shall be deemed to have waived irrevocably any such entitlement.

#### **VENEZUELA**

Mandatory Full Cashless Exercise. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, the Option may be exercised only by using the cashless method, except as otherwise determined by the Company. Only full cashless exercise (net proceeds remitted to the Employee in cash) will be permitted. Cash, cashless sell-to-cover, or stock swap methods of exercise are prohibited.

#### **VIETNAM**

Mandatory Full Cashless Exercise. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, the Option may be exercised only by using the cashless method, except as otherwise determined by the Company. Only full cashless exercise (net proceeds remitted to the Employee in cash) will be permitted. Cash, cashless sell-to-cover, or stock swap methods of exercise are prohibited.

**ABBVIE INC.**  
**RESTRICTED STOCK UNIT AGREEMENT**

On this «Grant\_Day» day of «Grant\_Month», 2020 (the “Grant Date”), AbbVie Inc. (the “Company”) hereby grants to «First Name» «MI» «Last Name» (the “Employee”) a Restricted Stock Unit Award (the “Award”) of «NoShares12345» restricted stock units (the “Units”) representing the right to receive an equal number of Shares on a specified Delivery Date.

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

The terms and conditions of the Award are as follows:

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

activity, employment or business which is competitive with the Company or any of its Subsidiaries.

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



- (iii) a reduction in the Employee's annual base salary (or a material change in the frequency of payment) as in effect immediately prior to the Change in Control as the same may be increased from time to time;
  - (iv) the failure by the Company or a Subsidiary to award the Employee an annual bonus in any year which is at least equal to the annual bonus awarded to the Employee under the annual bonus plan of the Company or Subsidiary for the year immediately preceding the year of the Change in Control;
  - (v) the failure by the Company to award the Employee equity-based incentive compensation (such as stock options, shares of restricted stock, restricted stock units, or other equity-based compensation) on a periodic basis consistent with the Company's practices with respect to timing, value and terms prior to the Change in Control;
  - (vi) the failure by the Company or a Subsidiary to continue to provide the Employee with the welfare benefits, fringe benefits and perquisites enjoyed by the Employee immediately prior to the Change in Control under any of the Company's or Subsidiary's plans or policies, including, but not limited to, those plans and policies providing pension, life insurance, medical, health and accident, disability and vacation;
  - (vii) the relocation of the Employee's base office to a location that is more than 35 miles from the Employee's base office immediately prior to the Change in Control; or
  - (viii) the failure of the Company to obtain a satisfactory agreement from any successor to the Company to assume and agree to perform this Agreement as contemplated in Section 5.
- (i) *Program*: The AbbVie 2013 Incentive Stock Program.
  - (j) *Termination*: A severance of employment for any reason (including retirement) from the Company and all Subsidiaries. Any Termination shall be effective on the last day the Employee performs services for or on behalf of the Company or a Subsidiary, and employment shall not be extended by any statutory or common law notice of termination period.

2. **Delivery Date and Shareholder Rights.** The delivery dates for Shares underlying the Units is the date on which the Shares are payable to the Employee after the Restrictions on such Units lapse pursuant to Section 4 below (each a "*Delivery Date*"). Prior to the Delivery Date:

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

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

- 3. **Restrictions.** The Units are subject to the forfeiture provisions in Sections 6 and 7 below. Units are not earned and may not be sold, exchanged, assigned, transferred, pledged or otherwise disposed of (collectively, the "*Restrictions*") until the earliest to occur of the events described in subsections 4(a), (b), or (c) or Section 5.
- 4. **Lapse of Restrictions.** Subject to Sections 5, 6 and 7 below:
  - (a) **Passage of Time.** While the Employee is employed with the Company or its Subsidiaries, the Restrictions on one-third of the Units will lapse on each of the first three anniversaries of the Grant Date (each a "*Delivery Date*") until, on the third anniversary of the Grant Date, 100% of the Units are no longer subject to Restrictions. Subject to subsections (b) and (c) below, Units for which Restrictions have lapsed, as described in this subsection 4(a), shall be settled in the form of Shares on the Delivery Date(s). Unless indicated otherwise, Shares shall be delivered in an equal number (subject to rounding) as of each Delivery Date.
  - (b) **Death.** The Restrictions shall lapse on the date of the Employee's Termination due to death, and the Units shall be settled (for the person or persons to whom rights

under the Award have passed by will or the laws of descent or distribution) in the form of Shares as soon as administratively possible after, and effective as of, the date of death.

(c) **Disability.** The Restrictions shall lapse on the date of the Employee's Disability, and the Units shall be settled in the form of Shares as soon as administratively possible after, and effective as of, the date of Disability.

5. **Change in Control.** In the event of a Change in Control, the entity surviving such Change in Control or the ultimate parent thereof (referred to herein as the "*Surviving Entity*") may assume, convert or replace this Award with an award of at least equal value and terms and conditions not less favorable than the terms and conditions provided in this Agreement, in which case the new award will vest according to the terms of the applicable award agreement. If the Surviving Entity does not assume, convert or replace this Award, the Restrictions shall lapse on the date of the Change in Control. If the Surviving Entity does assume, convert or replace this Award, then in the event the Employee's Termination (a) occurs within the time period beginning six months immediately before a Change in Control and ending two years immediately following such Change in Control, and (b) was initiated by the Company (or the Surviving Entity) for a reason other than Cause or was initiated by the Employee for Good Reason, the Restrictions shall lapse on the later of the date of the Change in Control and the date of the Employee's Termination. The provisions of this Section 5 shall supersede Section 13(a)(iii) and (v) of the Program.
6. **Effect of Certain Bad Acts.** Any Units not previously settled shall be cancelled and forfeited immediately if the Employee engages in activity that constitutes Cause, as determined in the sole opinion and discretion of the Committee or its delegate, whether or not the Employee experiences a Termination or remains employed with the Company or a Subsidiary.
7. **Forfeiture of Units.** In the event of the Employee's Termination for any reason other than those set forth in subsection 4(b) or Section 5, any Units with respect to which Restrictions have not lapsed as of the date of Termination shall be forfeited without consideration to the Employee or the Employee's Representative. In the event that the Employee is terminated by the Company other than for Cause and in a situation not covered by Section 5, the Company may, in its sole discretion, cause Restrictions on some or all of the Units not previously settled on a Delivery Date to lapse and be settled in the form of Shares on the Delivery Date set forth in subsection 4(a) above as if the Employee had remained employed on such date. In accepting this Award, the Employee acknowledges that in the event of Termination (whether or not in breach of local labor laws), the Employee's right to vest in the Units, if any, will cease and will not be extended by any notice period mandated under local law (e.g., active employment does not include a period of "garden leave" or

similar period pursuant to local law) and that the Company shall have the exclusive discretion to determine when Termination occurs.

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

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

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

9. **No Right to Continued Employment.** This Agreement and the Employee's participation in the Program do not and shall not be interpreted to:

- (a) form an employment contract or relationship with the Company or its Subsidiaries;
- (b) confer upon the Employee any right to continue in the employ of the Company or any of its Subsidiaries; or
- (c) interfere with the ability of the Company or its Subsidiaries to terminate the Employee's employment at any time.

10. **Nature of Grant.** In accepting this grant of Units, the Employee acknowledges and agrees that:

- (a) the Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;
- (b) this Award is a one-time benefit and does not create any contractual or other right to receive future grants of Units, benefits in lieu of Units, or other Program Benefits in the future, even if Units have been granted repeatedly in the past;
- (c) all decisions with respect to future Unit grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;
- (d) nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Employee;
- (e) the Employee is voluntarily participating in the Program;
- (f) the Units and Shares subject to the Units are:
  - (i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its Subsidiaries, and are outside the scope of the Employee's employment contract, if any;
  - (ii) not intended to replace any pension rights or compensation;
  - (iii) not part of the Employee's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company or its Subsidiaries;
- (g) the future value of the Shares underlying the Units is unknown and cannot be predicted with certainty;
- (h) in consideration of the Award, no claim or entitlement to compensation or damages shall arise from the Units resulting from Termination (for any reason whatsoever)

and the Employee irrevocably releases the Company and its Subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Employee shall be deemed irrevocably to have waived the Employee's entitlement to pursue such claim;

- (i) the Units and the Benefits under the Program, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability; and
- (j) neither the Company nor any of its Subsidiaries shall be liable for any change in value of the Units, the amount realized upon settlement of the Units or the amount realized upon a subsequent sale of any Shares acquired upon settlement of the Units, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

#### **11. Data Privacy.**

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

operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. The Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Program and for the Employee's participation in the Program.

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

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

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

12. **Form of Payment.** The Company may, in its sole discretion, settle the Employee's Units in the form of a cash payment to the extent settlement in Shares: (a) is prohibited under local

law; (b) would require the Employee, the Company and/or its Subsidiaries to obtain the approval of any governmental and/or regulatory body in the Employee's country; (c) would result in adverse tax consequences for the Employee or the Company; or (d) is administratively burdensome. Alternatively, the Company may, in its sole discretion, settle the Employee's Units in the form of Shares but require the Employee to sell such Shares immediately or within a specified period of time following the Employee's Termination (in which case, this Agreement shall give the Company the authority to issue sales instructions on the Employee's behalf).

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



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

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

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

To the extent required to avoid accelerated taxation and/or tax penalties under Code Section 409A and applicable guidance issued thereunder, the Employee shall not be

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

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

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

the Employee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. The Employee agrees to take any and all actions, and consents to any and all actions taken by the Company and its Subsidiaries, as may be required to allow the Company and its Subsidiaries to comply with local laws, rules and regulations in the Employee's country. In addition, the Employee agrees to take any and all actions as may be required to comply with the Employee's personal obligations under local laws, rules and regulations in the Employee's country.

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

23. **Entire Agreement.** This Agreement and the Program constitute the entire agreement between the Employee and the Company regarding the Award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the Award. Except as expressly set forth herein, this Agreement (and any provision of this Agreement) may not be modified, changed or clarified by the parties, except in a writing specifying the modification, change or clarification, signed by a duly authorized Company officer.
24. **Succession.** This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Employee, the Employee's Representative, and the person or persons to whom rights under the Award have passed by will or the laws of descent or distribution.
25. **Language.** The Employee acknowledges and agrees that it is the Employee's express intent that this Agreement, the Program and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Award, be drawn up in English. If the Employee is in a country where English is not an official language, the Employee acknowledges that he or she is sufficiently proficient in English or has had the ability to consult with an advisor who is sufficiently proficient in the English language, so as to allow the Employee to understand the terms and conditions of this Agreement, the Program and any other documents related to the Award. If the Employee has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
26. **Governing Law; Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to any state's conflict of laws principles. For any legal action relating to this Agreement, the parties to this Agreement consent to the exclusive jurisdiction and venue of the federal courts of the Northern District of Illinois, USA, and, if there is no jurisdiction in federal court, to the exclusive jurisdiction and venue of the state courts in Lake County, Illinois, USA.

\* \* \*

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

ABBVIE INC.

By \_\_\_\_\_

Title \_\_\_\_\_

EMPLOYEE

By: SIGNED BY ELECTRONIC SIGNATURE

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

**ADDENDUM TO THE ABBVIE INC.  
RESTRICTED STOCK UNIT AGREEMENT**

In addition to the terms and conditions set forth in the Agreement, the Award is subject to the following terms and conditions. If the Employee is employed in a country or jurisdiction identified in this Addendum, the additional terms and conditions for such country or jurisdiction will apply. If the Employee relocates to one of the countries or jurisdictions identified in this Addendum, the special terms and conditions for such country or jurisdiction will apply to the Employee, to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Units and the Program (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Employee's relocation).

All defined terms contained in this Addendum shall have the same meaning as set forth in the Program.

***EUROPEAN UNION ("EU") / EUROPEAN ECONOMIC AREA ("EEA") COUNTRIES, SWITZERLAND AND THE UNITED KINGDOM***

Data Privacy. The following provision replaces Section 11 of the Agreement in its entirety:

Pursuant to applicable personal data protection laws, the Employee is hereby notified of the following in relation to the Employee's Personal Data (defined below) and the collection, processing and transfer in electronic or other form of such Personal Data in relation to the administration of the Program. The collection, processing and transfer of Personal Data is necessary for the legitimate purpose of the administration of the Program by the Company and the Subsidiary that employs the Employee and the Employee's participation in the Program, and the Employee's denial and/or objection to the collection, processing and transfer of Personal Data may affect his or her participation in the Program. As such, by participating in the Program, the Employee acknowledges the collection, use, processing and transfer of Personal Data as described herein.

The Employee understands that the Company and the Subsidiary that employs the Employee may hold certain personally identifiable information about the Employee, specifically his or her name, home address, email address and telephone number, date of birth, social security, passport or other identification number (resident registration number), salary, nationality, job title, any Shares or directorships held in the Company or its Subsidiaries, details of all entitlements to Shares (or cash) granted, awarded, canceled, vested, unvested or outstanding in the Employee's favor, for the purpose of managing and administering the Program ("*Personal Data*"). The Personal Data may be provided by the Employee or collected, where lawful, from third parties. The Company or the Subsidiary that employs the Employee each act as controllers of the Personal Data and will process the Personal Data in this context for the exclusive legitimate purpose of implementing, administering and managing the Employee's participation in the Program and meeting related legal obligations associated with these actions.

The processing will take place through electronic and non-electronic means according to logics and procedures correlated to the purposes for which the Personal Data was collected and with confidentiality and security provisions as set forth by applicable laws and regulations. Personal Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Program and other aspects of the employment relationship and for the Employee's participation in the Program.

The Company and the Subsidiary that employs the Employee will transfer Personal Data amongst themselves and their affiliates as necessary for the purpose of implementation, administration and management of the Employee's participation in the Program, and the Company and the Subsidiary that employs the Employee may each further transfer Personal Data to third parties assisting the Company or the Subsidiary that employs the Employer in the implementation, administration and management of the Program, including E\*TRADE Financial Corporate Services Inc. and its affiliates ("E\*TRADE") or any successor or other third party that the Company, the Subsidiary that employs the Employee or E\*TRADE (or its successor) may engage to assist with the administration of the Program from time to time. These recipients may be located in the EU, EEA, Switzerland, the United Kingdom or elsewhere throughout the world, such as the United States. By participating in the Program, the Employee understands that these recipients may receive, possess, use, retain and transfer the Personal Data, in electronic or other form, for purposes of implementing, administering and managing the Employee's participation in the Program, including any requisite transfer of such Personal Data as may be required for the administration of the Program and/or the subsequent holding of Shares on the Employee's behalf to a broker or other third party with whom the Employee may elect to deposit any Shares acquired pursuant to the Program. The Employee further understands that he or she may request a list with the names and addresses of any potential recipients of Personal Data by contacting the Employee's local Human Resources manager or AbbVie's Human Resources Department. When transferring Personal Data to these potential recipients, the Company and the Subsidiary that employs the Employee may provide appropriate safeguards in accordance with EU Standard Contractual Clauses, or other legally binding and permissible arrangements. The Employee may request a copy of such safeguards from the Employee's local Human Resources manager or AbbVie's Human Resources Department.

To the extent provided by law, the Employee may, at any time, have the right to request: access to Personal Data, rectification of Personal Data, erasure of Personal Data, restriction of processing of Personal Data, and portability of Personal Data. The Employee may also have the right to object, on grounds related to a particular situation, to the processing of Personal Data, in any case without cost, by contacting in writing the Employee's local Human Resources manager or AbbVie's Human Resources Department. The Employee understands, however, that the only consequence of refusing to provide Personal Data is that the Company may not be able to grant the Units, or other equity awards or administer or maintain such awards.

When the Company and the Subsidiary that employs the Employee no longer need to use Personal Data for the purposes above or do not need to retain it for compliance with any legal or regulatory purpose, each will take reasonable steps to remove Personal Data from their systems and/or records containing the Personal Data and/or take steps to properly anonymize it so that the Employee can no longer be identified from it.

## **ALGERIA**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

## **AUSTRALIA**

1. Breach of Law. Notwithstanding anything to the contrary in the Agreement or the Program, the Employee will not be entitled to, and shall not claim any benefit (including without limitation a legal right) under the Program if the provision of such benefit would give rise to a breach of Part 2D.2 of the Corporations Act 2001 (Cth), any other provision of that Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits.

2. Australian Offer Document. In addition to the Agreement and the Program, the Employee must review the Australian Offer Document for additional important information pertaining to the Award. This document can be accessed via the E\*TRADE website at <https://us.etrade.com/stock-plans>. By accepting the Award, the Employee acknowledges and confirms that the Employee has reviewed the Australian Offer Document.

3. Tax Information. The Program is a program to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in that Act).

#### **BAHRAIN**

Securities Notification. This Agreement does not constitute advertising or an offering of securities in Bahrain, nor does it constitute an allotment of securities in Bahrain. Any Shares issued pursuant to the Units under the Program shall be deposited into a brokerage account in the United States. In no event will Shares be issued or delivered in Bahrain. The issuance of Shares pursuant to the Units described herein has not and will not be registered in Bahrain and hence, the Shares described herein may not be admitted or used for offering, placement or public circulation in Bahrain. Accordingly, the Employee may not make any public advertising or announcements regarding the Units or Shares in Bahrain, promote these Shares to legal entities or individuals in Bahrain, or sell Shares directly to other legal entities or individuals in Bahrain. The Employee acknowledges and agrees that Shares may only be sold outside of Bahrain and on a stock exchange on which AbbVie is traded.

#### **BRAZIL**

Labor Law Acknowledgment. The Employee agrees, for all legal purposes, (i) the Benefits provided under the Agreement and the Program are the result of commercial transactions unrelated to the Employee's employment; (ii) the Agreement and the Program are not a part of the terms and conditions of the Employee's employment; and (iii) the income from the Units, if any, is not part of the Employee's remuneration from employment.

#### **CANADA**

1. Settlement in Shares. Notwithstanding anything to the contrary in the Agreement, Addendum or the Program, the Employee's Award shall be settled only in Shares (and may not be settled in cash).

2. Resale Restriction. The Employee is permitted to sell Shares acquired upon settlement of the Units through the designated broker appointed under the Program, provided the resale of Shares acquired under the Program takes place outside of Canada through the facilities of the stock exchange on which the Shares are listed. The Shares are currently listed on the New York Stock Exchange.

3. English Language. The parties to the Agreement acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. ***Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.***

#### **CHILE**

Private Placement. The following provision shall replace Section 13 of the Agreement:

The grant of the Units hereunder is not intended to be a public offering of securities in Chile but instead is intended to be a private placement.



- a) The starting date of the offer will be the Grant Date (as defined in the Agreement), and this offer conforms to General Ruling no. 336 of the Chilean Commission for the Financial Market;
  - b) The offer deals with securities not registered in the registry of securities or in the registry of foreign securities of the Chilean Commission for the Financial Market, and therefore such securities are not subject to its oversight;
  - c) The issuer is not obligated to provide public information in Chile regarding the foreign securities, as such securities are not registered with the Chilean Commission for the Financial Market; and
  - d) The foreign securities shall not be subject to public offering as long as they are not registered with the corresponding registry of securities in Chile.
- a) *La fecha de inicio de la oferta será el de la fecha de otorgamiento (o "Grant Date", según este término se define en el documento denominado "Agreement") y esta oferta se acoge a la norma de Carácter General n° 336 de la Comisión para el Mercado Financiero Chilena;*
  - b) *La oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la Comisión para el Mercado Financiero Chilena, por lo que tales valores no están sujetos a la fiscalización de ésta;*
  - c) *Por tratar de valores no inscritos no existe la obligación por parte del emisor de entregar en Chile información pública respecto de esos valores; y*
  - d) *Esos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el registro de valores correspondiente.*

## **CHINA**

Foreign Exchange Control Laws. The following provisions shall govern the Employee's participation in the Program if the Employee is a national of the People's Republic of China ("China") resident in mainland China, or if determined to be necessary or appropriate by the Company in its sole discretion:

The Employee agrees to hold the Shares received upon settlement of the Units with the Company's designated broker. Upon a Termination, the Employee shall be required to sell all Shares issued pursuant to the Units within 180 days (or such shorter period as may be required by the State Administration of Foreign Exchange or the Company) of the Termination date and repatriate the sales proceeds to China in the manner designated by the Company. For purposes of the foregoing, the Company shall establish procedures for effectuating the forced sale of the Shares (including procedures whereby the Company may issue sale instructions on behalf of the Employee), and the Employee hereby agrees to comply with such procedures and take any and all actions as the Company determines, in its sole discretion, are necessary or advisable for purposes of complying with local laws, rules and regulations in China.

The Employee understands and agrees that the repatriation of dividends and sales proceeds may need to be effected through a special exchange control account established by the Company or its Subsidiaries, and the Employee hereby consents and agrees that dividends issued on Shares and sales proceeds from the sale of Shares acquired under the Program may be transferred to such account by the Company on the Employee's behalf prior to being delivered to the Employee. Dividends and/or sales proceeds may be paid to the Employee in U.S. dollars or local currency at the Company's discretion. If dividends and/or sales proceeds are paid to the Employee in U.S. dollars, the Employee understands that the Employee will be required to set up a U.S. dollar bank account in China so that the dividends or proceeds may be deposited into this account. If dividends and/or sales proceeds are paid to the Employee in local currency, the Employee acknowledges that the Company is under no obligation to secure any particular exchange conversion rate and that the Company may face delays in converting the dividends and/or proceeds to local currency due

to exchange control restrictions. The Employee agrees to bear any currency fluctuation risk between the time dividends are issued or Shares are sold and the net proceeds are converted into local currency and distributed to the Employee. The Employee further agrees to comply with any other requirements that may be imposed by the Company or its Subsidiaries in China in the future in order to facilitate compliance with exchange control requirements in China. The Employee acknowledges and agrees that the processes and requirements set forth herein shall continue to apply following the Employee's Termination.

Neither the Company nor any of its Subsidiaries shall be liable for any costs, fees, lost interest or dividends or other losses the Employee may incur or suffer resulting from the enforcement of the terms of this Addendum or otherwise from the Company's operation and enforcement of the Program, the Agreement and the Units in accordance with Chinese law including, without limitation, any applicable State Administration of Foreign Exchange rules, regulations and requirements.

#### **DENMARK**

The Act on Stock Options. Notwithstanding any provisions in the Agreement to the contrary, the treatment of the Units upon the Employee's Termination shall be governed by the Danish Act on the Use of Rights to Purchase or Subscribe for Shares etc. in Employment Relationships (the "*Stock Option Act*") as in effect at the time of the Employee's Termination (as determined by the Company, in its discretion, in consultation with legal counsel). The Employee acknowledges having received an "Employer Information Statement" in Danish, which is provided to comply with the Stock Option Act.

#### **FINLAND**

Withholding of Tax-Related Items. Notwithstanding anything in Section 8 of the Agreement to the contrary, if the Employee is a local national of Finland, any Tax-Related Items shall be withheld only in cash from the Employee's regular salary/wages or other amounts payable to the Employee in cash, or such other withholding methods as may be permitted under the Program and allowed under local law.

#### **FRANCE**

1. Nature of the Award. The Units are not granted under the French specific regime provided by Articles L225-197-1 and seq. of the French commercial code.
2. English Language. The parties to the Agreement acknowledge that it is their express wish that the Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English. ***Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à ou suite à la présente convention.***

#### **HONG KONG**

1. Settlement in Shares. Notwithstanding anything to the contrary in the Agreement, Addendum or the Program, the Award shall be settled only in Shares (and may not be settled in cash).
2. Lapse of Restrictions. If, for any reason, Shares are issued to the Employee within six months of the Grant Date, the Employee agrees that he or she will not sell or otherwise dispose of any such Shares prior to the six-month anniversary of the Grant Date.
3. IMPORTANT NOTICE. WARNING: The contents of the Agreement, the Addendum, the Program, and all other materials pertaining to the Units and/or the Program have not been reviewed by any regulatory

authority in Hong Kong. The Employee is hereby advised to exercise caution in relation to the offer thereunder. If the Employee has any doubts about any of the contents of the aforesaid materials, the Employee should obtain independent professional advice.

4. Wages. The Units and Shares subject to the Units do not form part of the Employee's wages for the purposes of calculating any statutory or contractual payments under Hong Kong law.

#### **ISRAEL**

Trustee Arrangement. The Employee agrees to hold the Shares received upon settlement of the Units with the Company's designated broker. The Employee understands and agrees that upon the Employee's sale of Shares, unless otherwise determined by the Company, (a) the repatriation of sales proceeds shall be effected through a trustee in Israel engaged by the Company (the "Trustee"), (b) the Trustee will withhold the requisite tax and other mandatory withholding (e.g., National Insurance payments) from the sales proceeds and (c) the Trustee will transfer the remaining sale proceeds (net of the requisite tax and other mandatory withholding) to the Employee. The Employee acknowledges and agrees that the process and requirements set forth herein shall continue to apply following the Employee's Termination.

#### **MEXICO**

1. Commercial Relationship. The Employee expressly acknowledges that the Employee's participation in the Program and the Company's grant of the Award does not constitute an employment relationship between the Employee and the Company. The Employee has been granted the Award as a consequence of the commercial relationship between the Company and the Subsidiary in Mexico that employs the Employee, and the Company's Subsidiary in Mexico is the Employee's sole employer. Based on the foregoing: (a) the Employee expressly acknowledges that the Program and the benefits derived from participation in the Program do not establish any rights between the Employee and the Subsidiary in Mexico that employs the Employee; (b) the Program and the benefits derived from participation in the Program are not part of the employment conditions and/or benefits provided by the Subsidiary in Mexico that employs the Employee; and (c) any modifications or amendments of the Program or benefits granted thereunder by the Company, or a termination of the Program by the Company, shall not constitute a change or impairment of the terms and conditions of the Employee's employment with the Subsidiary in Mexico that employs the Employee.

2. Extraordinary Item of Compensation. The Employee expressly recognizes and acknowledges that the Employee's participation in the Program is a result of the discretionary and unilateral decision of the Company, as well as the Employee's free and voluntary decision to participate in the Program in accordance with the terms and conditions of the Program, the Agreement and this Addendum. As such, the Employee acknowledges and agrees that the Company, in its sole discretion, may amend and/or discontinue the Employee's participation in the Program at any time and without any liability. The value of the Units is an extraordinary item of compensation outside the scope of the Employee's employment contract, if any. The Units are not part of the Employee's regular or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits, or any similar payments, which are the exclusive obligations of the Company's Subsidiary in Mexico that employs the Employee.

#### **MOROCCO**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

## **NETHERLANDS**

Waiver of Termination Rights. The Employee waives any and all rights to compensation or damages as a result of a Termination, insofar as those rights result or may result from: (a) the loss or diminution in value of such rights or entitlements under the Program; or (b) the Employee ceasing to have rights, or ceasing to be entitled to any Awards under the Program as a result of such Termination.

## **NEW ZEALAND**

Securities Law Notice. The following securities notification applies for an offer of Units on or after December 1, 2016:

### **Warning**

This is an offer of Units which, upon vesting and settlement in accordance with the terms of the Program and the Agreement, will be converted into Shares. Shares give you a stake in the ownership of AbbVie Inc. You may receive a return if dividends are paid.

If AbbVie Inc. runs into financial difficulties and is wound up, you will be paid only after all creditors and holders of preference shares have been paid. You may lose some or all of your investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors make an informed decision. The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, you may not be given all the information usually required. You will also have fewer other legal protections for this investment.

Ask questions, read all documents carefully, and seek independent financial advice before committing.

Prior to the vesting and settlement of the Units, you will not have any rights of ownership (e.g., voting rights) with respect to the underlying Shares.

No interest in any Units may be transferred (legally or beneficially), assigned, mortgaged, charged or encumbered.

The Shares are quoted on the New York Stock Exchange. This means that if you acquire Shares under the Program, you may be able to sell them on the New York Stock Exchange if there are interested buyers. You may get less than you invested. The price will depend on the demand for the Shares.

You also are hereby notified that the documents listed below are available for review on sites at the web addresses listed below:

1. AbbVie Inc.'s most recent Annual Report (Form 10-K): <https://investors.abbvie.com/sec-filings>.
2. AbbVie Inc.'s most recent published financial statements (Form 10-Q or 10-K) and the auditor's report on those financial statements: <https://investors.abbvie.com/sec-filings>.
3. The AbbVie 2013 Incentive Stock Program: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.
4. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.

## **ROMANIA**

1. Termination. A Termination shall include the situation where the Employee's employment contract is terminated by operation of law on the date the Employee reaches the standard retirement age and has completed the minimum contribution record for receipt of state retirement pension or the relevant authorities award the Employee an early-retirement pension of any type.

2. English Language. The Employee hereby expressly agrees that this Agreement, the Program as well as all documents, notices and proceedings entered into, relating directly or indirectly hereto, be drawn up or communicated only in the English language. **Angajatul consimte în mod expres prin prezentul ca acest Contract, Programul precum și orice alte documente, notificări, înștiințări legate direct sau indirect de acest Contract să fie redactate sau efectuate doar în limba engleză.**

## **RUSSIA**

1. Sale or Transfer of Shares. Notwithstanding anything to the contrary in the Program or the Agreement, the Employee shall not be permitted to sell or otherwise dispose of the Shares acquired pursuant to the Award in Russia. The Employee may sell the Shares only through a broker established and operating outside Russia.

2. Repatriation Requirements. The Employee agrees to promptly repatriate proceeds resulting from the sale of Shares acquired under the Program to a foreign currency account at an authorized bank in Russia if legally required at the time Shares are sold and to comply with all applicable local foreign exchange rules and regulations. Neither the Company nor any of its Subsidiaries shall be liable for any fines or penalties resulting from the Employee's failure to comply with applicable laws. The Employee may sell the Shares only through a broker established and operating outside Russia. Any Shares issued upon vesting shall be delivered to the Employee through a brokerage account in the U.S. The Employee may hold the Shares in his or her brokerage account in the U.S.; however, in no event will Shares issued to the Employee under the Program be delivered to the Employee in Russia. The Employee is not permitted to sell Shares directly to other Russian legal entities or individuals.

## **SINGAPORE**

Qualifying Person Exemption. The grant of the Award under the Program is being made pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (the "SFA"). The Program has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore and is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. The Employee should note that, as a result, the Award is subject to section 257 of the SFA and the Employee will not be able to make: (a) any subsequent sale of the Shares underlying the Award in Singapore; or (b) any offer of such subsequent sale of the Shares subject to the Award in Singapore, unless such sale or offer is made pursuant to the exemptions under Part XIII Division 1 Subdivision (4) (other than section 280) of the SFA.

## **SOUTH AFRICA**

1. Exchange Control Obligations. The Employee is solely responsible for complying with applicable exchange control regulations and rulings (the "Exchange Control Regulations") in South Africa. As the

Exchange Control Regulations change frequently and without notice, the Employee should consult the Employee's legal advisor prior to the acquisition or sale of Shares under the Program to ensure compliance with current Exchange Control Regulations. Neither the Company nor any of its Subsidiaries shall be liable for any fines or penalties resulting from the Employee's failure to comply with applicable laws, rules or regulations.

2. Securities Law Notice. In compliance with South African securities laws, the Employee acknowledges that the documents listed below are available for review at the web addresses listed below:

- a. AbbVie Inc.'s most recent Annual Report (Form 10-K): <https://investors.abbvie.com/sec-filings>.
- b. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the E\*TRADE website at <https://us.etrade.com/stock-plans>.

The Employee understands that a copy of the above documents will be sent to the Employee free of charge on written request to: Director, Equity Programs, AbbVie Inc., Dept. V58G, Bldg. AP34-2, 1 North Waukegan Road, North Chicago, IL 60064, USA.

The Employee is advised to carefully read the materials provided before making a decision whether to participate in the Program and to contact the Employee's tax advisor for specific information concerning the Employee's personal tax situation with regard to Program participation.

## **SPAIN**

### 1. Acknowledgement of Discretionary Nature of the Program; No Vested Rights

By accepting the Award, the Employee consents to participation in the Program and acknowledges receipt of a copy of the Program.

The Employee understands that the Company has unilaterally, gratuitously and in its sole discretion granted Units under the Program to individuals who may be employees of the Company or its Subsidiaries throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any of its Subsidiaries on an ongoing basis. Consequently, the Employee understands that the Units are granted on the assumption and condition that the Units and the Shares acquired upon settlement of the Units shall not become a part of any employment contract (either with the Company or any of its Subsidiaries) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Employee understands that this grant would not be made to the Employee but for the assumptions and conditions referenced above; thus, the Employee acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason the Award shall be null and void.

The Employee understands and agrees that, as a condition of the Award, unless otherwise provided in Section 4 of the Agreement, any unvested Units as of the date the Employee ceases active employment will be forfeited without entitlement to the underlying Shares or to any amount of indemnification in the event of Termination. The Employee acknowledges that the Employee has read and specifically accepts the conditions referred to in the Agreement regarding the impact of a Termination on the Units.

2. Termination for Cause. Notwithstanding anything to the contrary in the Program or the Agreement, "Cause" shall be as defined as set forth in the Agreement, regardless of whether the Termination is considered a fair termination (i.e., "despido procedente") under Spanish legislation.

#### **SWITZERLAND**

Securities Law Information. Neither this document nor any other materials relating to the Units

(i) constitutes a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services ("*FinSA*"), (ii) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company or (iii) has been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of *FinSA* or any Swiss regulatory authority, including the Swiss Financial Market Supervisory Authority ("*FINMA*").

#### **TUNISIA**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

#### **UKRAINE**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.

## **UNITED KINGDOM**

1. Payment of Taxes. Without limitation to Section 8 of the Agreement, the Employee hereby agrees that the Employee is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items, as and when requested by the Company or (if different) the Subsidiary that employs the Employee or by Her Majesty's Revenue & Customs ("HMRC") (or any other tax authority or any other relevant authority). The Employee also hereby agrees to indemnify and keep indemnified the Company and (if different) the Subsidiary that employs the Employee against any Tax-Related Items that they are required to pay or withhold on the Employee's behalf or have paid or will pay on the Employee's behalf to HMRC (or any other tax authority or any other relevant authority).

Notwithstanding the foregoing, if the Employee is a director or executive officer (as within the meaning of Section 13(k) of the U.S. Securities Exchange Act of 1934, as amended), the terms of the immediately foregoing provision will not apply. In the event that the Employee is a director or executive officer and income tax due is not collected from or paid by the Employee by within 90 days after the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected tax may constitute a benefit to the Employee on which additional income tax and national insurance contributions may be payable. The Employee acknowledges that the Employee ultimately will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Subsidiary that employs the Employee (as applicable) for the value of any employee national insurance contributions due on this additional benefit, which the Company and/or the Subsidiary that employs the Employee may recover from the Employee at any time thereafter by any of the means referred to in Section 8 of the Agreement.

2. Exclusion of Claim. The Employee acknowledges and agrees that the Employee will have no entitlement to compensation or damages insofar as such entitlement arises or may arise from the Employee's ceasing to have rights under or to be entitled to the Units, whether or not as a result of Termination (whether the Termination is in breach of contract or otherwise), or from the loss or diminution in value of the Units. Upon the grant of the Award, the Employee shall be deemed to have waived irrevocably any such entitlement.

## **VIETNAM**

Settlement in Cash. Notwithstanding Section 4 of the Agreement or any other provision in the Agreement to the contrary, pursuant to Section 12 of the Agreement, the Units will be settled in the form of a cash payment, except as otherwise determined by the Company.



**ABBVIE NON-EMPLOYEE DIRECTORS' FEE PLAN**

(Amended and Restated Effective as of May 8, 2020)

**ABBVIE  
NON-EMPLOYEE DIRECTORS' FEE PLAN**

SECTION 1.  
PURPOSE

This AbbVie Non-Employee Directors' Fee Plan (the "Plan") is maintained by AbbVie Inc. (the "Company") to attract and retain as members of its Board of Directors persons who are not full-time employees of the Company or any of its subsidiaries but whose business experience and judgment are valuable assets to the Company and its subsidiaries. The Plan was originally adopted by the Company effective January 1, 2013, and was last amended and restated effective as of October 17, 2019. The terms of the Plan set forth in this document shall be effective as of May 8, 2020 (the "Effective Date").

SECTION 2.  
DIRECTORS COVERED

As used in the Plan, the term "Director" means any person serving on the Board of Directors of the Company on the Effective Date or at any time thereafter who is not a full-time employee of the Company or any of its subsidiaries.

SECTION 3.  
FEES PAYABLE TO DIRECTORS

3.1 Each Director shall be entitled to a deferred fee of \$115,000 per year, earned monthly for each calendar month or portion thereof that the Director holds such position with the Company, excluding the month in which the Director is first elected to such position.

3.2 Lead Director and Executive Committee Chair Fees

(a) A Director who serves as Lead Director for the Board of Directors shall be entitled to a deferred fee of \$50,000 per year, earned monthly for each calendar month or portion thereof that the Director holds such position, excluding the month in which the Director is first elected to such position.

(b) A Director who serves as Chair of the Executive Committee of the Board of Directors shall be entitled to a deferred fee of \$20,000 per year, earned monthly for each calendar month or portion thereof that the Director holds such position, excluding the month in which the Director is first elected to such position.

3.3 Audit Committee Fees

(a) A Director who serves as Chair of the Audit Committee of the Board of Directors shall be entitled to a deferred fee of \$25,000 per year, earned monthly for each calendar month or portion thereof that the Director holds such position, excluding the month in which the Director is first elected to such position.

(b) Each Director who serves on the Audit Committee of the Board of Directors (other than the Chair of the Audit Committee) shall be entitled to a deferred fee of \$6,000 per year, earned monthly for each calendar month or portion thereof that the Director holds such position, excluding the month in which the Director is first elected to such position.

3.4 A Director who serves as Chair of the Compensation Committee of the Board of Directors shall be entitled to a deferred fee of \$20,000 per year, earned monthly for each calendar month or portion thereof that the Director holds such position, excluding the month in which the Director is first elected to such position.

3.5 A Director who serves as Chair of the Nominations Committee of the Board of Directors shall be entitled to a deferred fee of \$20,000 per year, earned monthly for each calendar month or portion thereof that the Director holds such position, excluding the month in which the Director is first elected to such position.

3.6 A Director who serves as Chair of any other Committee created by the Board of Directors shall be entitled to a deferred fee of \$20,000 per year, earned monthly for each calendar month or portion thereof that the Director holds such position, excluding the month in which the Director is first elected to such position.

3.7 A Director's Deferred Fee Account shall be credited with interest annually. The rate of interest credited to deferred fees shall be equal to: (a) 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 (b) two hundred twenty-five (225) basis points. For purposes of this provision, the term "deferred fees" shall include "deferred monthly fees," and "deferred meeting fees," and shall also include any such interest credited thereon.

3.8 For purposes of Sections 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6, the automatic deferral of the fees specified therein shall be subject to a Director's election to receive such fees currently pursuant to Section 4.1 or Section 8.1 of the Plan.

#### SECTION 4. PAYMENT OF DIRECTORS' FEES

4.1 Any Director may, by written notice filed with the Secretary of the Company no later than December 31 in a calendar year, elect to receive current payment of all or any portion of the monthly and meeting fees earned by him in calendar years subsequent to the calendar year in which he files such notice, in which case such fees shall not be deferred but shall be paid quarterly as earned and no interest shall be credited thereon. Such election shall be irrevocable as of December 31 of the year prior to the year in which the fees will be earned.

Notwithstanding the timing requirements described above, an individual who is newly elected as a Director may make the election described above by filing it with the Secretary of the Company within the thirty (30) day period immediately following the date he or she first becomes a Director eligible to participate in the Plan (and all plans that would be aggregated with the Plan pursuant to Treasury Regulation §1.409A-1(c)(2)(i)), provided that the compensation subject to such election relates solely to services performed after the date of such election and provided, further, that such election shall become irrevocable on the thirtieth day following the date he or she first becomes a Director eligible to participate in the Plan. In no event shall the fees subject to an election under this Section 4.1 be paid 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). Any Director who has previously provided notice pursuant to this Section 4.1 may, by written notice filed with the Secretary of the Company no later than December 31 in a calendar year, elect to defer payment of all or a portion of the monthly and meeting fees earned by him in calendar years subsequent to the year in which he files such notice, in which case such fees shall be paid to him in accordance with Section 4.2 below.

4.2 A Director's deferred fees earned pursuant to the Plan shall commence to be paid on the first day of the calendar month next following the earlier of his death or his attainment of age sixty-five (65) if he is not then serving as a Director, or the termination of his service as a Director if he serves as a Director after the attainment of age sixty-five (65).

4.3 A Director's deferred fees that have commenced to be payable pursuant to Section 4.2 shall be payable in annual installments in the order in which they shall have been deferred (i.e., the deferred fees and earnings thereon for the earliest year of service as a Director will be paid on the date provided for in Section 4.2, the deferred fees for the next earliest year of service as a Director will be paid on the anniversary of the payment of the first installment, etc.).

4.4 A Director's deferred fees shall continue to be paid until all deferred fees which he is entitled to receive under the Plan shall have been paid to him (or, in case of his death, to his beneficiary).

4.5 If a Director incurs a termination of service as a Director within two (2) years following the occurrence of a Change in Control (as defined below), the aggregate unpaid balance of such Director's deferred fees plus all unpaid interest credited thereon shall be paid to such Director in a lump sum within thirty (30) days following the date of such termination of service; provided, however, that if such Change in Control does not constitute a "change in control event" (as defined in Treasury Regulation §1.409A-3(i)(5)), then the aggregate unpaid balance of such Director's deferred fees shall be paid in accordance with Sections 4.2 and 4.3.

Notwithstanding any other provision of the Plan, if a Director has made the alternative election set forth in Section 8.1, and if such Director incurs a termination of service as a Director within five (5) years following the occurrence of a Change in Control, the aggregate unpaid balance of such Director's fees deposited to the Director's Grantor Trust (as defined below) plus all unpaid interest credited thereon, shall be paid to such Director from the Director's Grantor Trust in a lump sum within thirty (30) days following the date of such termination of service.

4.6 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 the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 20% or more of the combined voting power of the Company'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 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 the Company) whose appointment or election by the Board of Directors or nomination for election by the Company'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 the Company or any direct or indirect subsidiary of the Company 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 the Company, the entity surviving such merger or consolidation or, if the Company 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 the Company 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 the Company or any subsidiary of the Company, at least 50% of the combined voting power of the securities of the Company 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 the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 20% or more of the combined voting power of the Company's then outstanding securities; or

(d) the date the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the

Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, in substantially the same proportions as their ownership of the Company 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 the Company 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 the Company 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) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company 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 the Company in substantially the same proportions as their ownership of stock of the Company.

4.7 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) The Company 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 clauses (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 the Company representing 10% or more of either the then outstanding shares of common stock of the Company or the combined voting power of the Company's then outstanding securities (not including any securities beneficially owned by such Person which are or were acquired directly from the Company 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.

4.8 The provisions of Sections 4.5, 4.6, 4.7 and this Section 4.8 may not be amended or deleted, nor superseded by any other provision of this Plan, (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.

## SECTION 5. CONVERSION TO COMMON STOCK UNITS

5.1 Any Director who is then serving as a director may, by written notice filed with the Secretary of the Company, irrevocably elect to have all or any portion of deferred fees previously earned but not yet paid, transferred from the Director's Deferred Fee Account to a stock account established under this Section 5 ("Stock Account"). Any election as to a portion of such fees shall be expressed as a percentage and the same percentage shall be applied to all such fees regardless of the calendar year in which earned or to all deferred fees earned in designated calendar years, as specified by the Director. A Director may make no more than one notional investment election under this Section 5.1 in any calendar year. All such elections may apply only to deferred fees for which an election has not previously been made and shall be irrevocable.

5.2 Any Director may, by written notice filed with the Secretary of the Company, elect to have all or any portion of deferred fees earned subsequent to the date such notice is filed credited to a Stock Account established under this Section 5. Fees covered by such election shall be credited to such account at the end of each calendar quarter in, or for which, such fees are earned. Such election may be revoked or modified by such Director, by written notice filed with the Secretary of the Company, as to deferred fees to be earned in calendar years subsequent to the calendar year such notice is filed, but shall be irrevocable as to deferred fees earned prior to such year.

5.3 Deferred fees credited to a Stock Account under Section 5.1 shall be converted to Common Stock Units by dividing the deferred fees so credited by the closing price of common stock of the Company on the date the notice of election under Section 5 is received by the Company (or the next business day, if there are no sales on such date) as reported on the New York Stock Exchange Composite Reporting System. Deferred fees credited to a Stock Account under Section 5.2 shall be converted to Common Stock Units by dividing the deferred fees so credited by the closing price of common stock of the Company as of the last business day of the calendar quarter for which the credit is made, as reported on the New York Stock Exchange Composite Reporting System.

5.4 Each Common Stock Unit shall be credited with (or adjusted for) the same cash and stock dividends, stock splits and other distributions and adjustments as are received by or applicable to one share of common stock of the Company. All cash dividends and other cash distributions credited to Common Stock Units shall be converted to additional Common Stock Units by dividing each such dividend or distribution by the closing price of common stock of the Company on the payment date for such dividend or distribution, as reported by the New York Stock Exchange Composite Reporting System.

5.5 The value of the Common Stock Units credited each Director shall be paid to the Director in cash on the dates specified in Section 4.3 (or, if applicable, Section 4.5). The amount of each payment shall be determined by multiplying the Common Stock Units payable on each date specified in Section 4.3 (or, if applicable, Section 4.5) by the closing price of common stock of the Company on the day prior to the payment date (or the next preceding business day if there are no sales on such date), as reported by the New York Stock Exchange Composite Reporting System.

SECTION 6.  
MISCELLANEOUS

6.1 Each Director or former Director entitled to payment of deferred fees hereunder from time to time may name any person or persons (who may be named contingently or successively) to whom any deferred Director's fees earned by him and payable to him are to be paid in case of his death before he receives any or all of such deferred Director's fees. Each designation will revoke all prior designations by the same Director or former Director, shall be in a form prescribed by the Company, and will be effective only when filed by the Director or former Director in writing with the Secretary of the Company during his lifetime. If a deceased Director or former Director shall have failed to name a beneficiary in the manner provided above, or if the beneficiary named by a deceased Director or former Director dies before him or before payment of all the Director's or former Director's deferred Directors' fees, the Company, in its discretion, may direct payment of the remaining installments required by Section 4.3 to either:

(a) any one or more or all of the next of kin (including the surviving spouse) of the Director or former Director, and in such proportions as the Company determines; or

(b) the legal representative or representatives of the estate of the last to die of the Director or former Director and his last surviving beneficiary.

The person or persons to whom any deceased Director's or former Director's deferred Directors' fees are payable under this Section will be referred to as his "beneficiary."

6.2 Establishment of the Plan and coverage thereunder of any person shall not be construed to confer any right on the part of such person to be nominated for reelection to the Board of Directors of the Company, or to be reelected to the Board of Directors.

6.3 Payment of deferred Directors' fees will be made only to the person entitled thereto in accordance with the terms of the Plan, and deferred Directors' fees are not in any way subject to the debts or other obligations of persons entitled thereto, and may not be voluntarily or involuntarily sold, transferred or assigned. When a person entitled to a payment under the Plan is under legal disability or, in the Company's opinion, is in any way incapacitated so as to be unable to manage his financial affairs, the Company may direct that payment be made to such person's legal representative, or to a relative or friend of such person for his benefit. Any payment made in accordance with the preceding sentence shall be in complete discharge of the Company's obligation to make such payment under the Plan.

6.4 Any action required or permitted to be taken by the Company under the terms of the Plan shall be by affirmative vote of a majority of the members of the Board of Directors then in office.

6.5 To the extent applicable, it is intended that the Plan comply with the provisions of Section 409A of the Internal Revenue Code of 1986, as amended ("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 this Plan, a Director shall not be deemed to have had a termination of service as a Director until the Director 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 specified in Section 8.8 (to the extent that such interest is not already provided to the Director under Section 8.10), 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.

SECTION 7.  
AMENDMENT AND DISCONTINUANCE

While the Company expects to continue the Plan, it must necessarily reserve, and does hereby reserve, the right to amend or discontinue the Plan at any time; provided, however, that any amendment or discontinuance of the Plan shall be prospective in operation only, and shall not affect the payment of any deferred Directors' fees theretofore earned by any Director, or the conditions under which any such fees are to be paid or forfeited under the Plan. Any discontinuance of the Plan by the Company shall comply with the requirements of Code Section 409A.

SECTION 8.  
ALTERNATE PAYMENT OF FEES



8.1 A Director who was first elected or appointed to the Board of Directors before January 1, 2016 may, by written notice filed with the Secretary of the Company prior to each calendar year, elect to receive all or a portion of his fees earned in the following calendar year in accordance with the provisions of Section 8. An election under this Section 8.1 shall become irrevocable as of December 31 of the calendar year prior to the year in which such monthly and meeting fees will be earned (or, in the case of a new Director elected or appointed before January 1, 2016, on the 30th day following the Director's first participation in the Plan and all plans that would be aggregated with the Plan pursuant to Treasury Regulation §1.409A-1(c)(2)(i), provided that the compensation subject to such election relates solely to services performed after the date of such election).

8.2 If payment of a Director's fees is made pursuant to Section 8.1, such fees shall not be deferred and a portion of the gross amount of such fees shall be paid currently in cash for the Director directly to a "Grantor Trust" established by the Director, provided such trust is in a form determined by the Committee; and the balance of the gross amount of such fees shall be paid currently in cash directly to the Director, provided that the portion paid directly to the Director shall be an amount equal to the aggregate federal, state and local individual income taxes attributable to the gross fees paid pursuant to this Section 8.2 (determined in accordance with Section 8.14). In no event shall such fees be paid to the Grantor Trust or directly to the Director 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).

8.3 The Company will establish and maintain four separate accounts in the name of each Director who has made an election under Section 8.1 as follows: a "Pre-Tax Fee Account," an "After-Tax Fee Account," a "Pre-Tax Stock Account" and an "After-Tax Stock Account" (collectively, the "Accounts").

(a) The Pre-Tax Fee Account shall reflect the total amount of any fees paid in cash to a Director or deposited to a Director's Grantor Trust, including the amount equal to the aggregate federal, state and local individual income taxes attributable to the fees paid pursuant to Section 8.2, and Interest to be credited to a Director pursuant to Section 8.8. The After-Tax Fee Account shall reflect such gross amounts but shall be maintained on an after-tax basis.

(b) The Pre-Tax Stock Account shall reflect the total amount of fees converted to Common Stock Units pursuant to Section 5, including the amount equal to the aggregate federal, state and local individual income taxes attributable to the fees paid pursuant to Section 8.2, and any adjustments made pursuant to Section 8.9. The After-Tax Stock Account shall reflect such gross amounts but shall be maintained on an after-tax basis.

(c) The Accounts established pursuant to this Section 8.3 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.

8.4 As of the end of each calendar year, the Company shall adjust each Director's Pre-Tax Fee Account as follows:

(a) FIRST, charge, in any year in which the Director is entitled to receive a distribution from his or her Grantor Trust, an amount equal to the distribution from the fee account maintained thereunder that would have been made to the Director if the aggregate amounts paid according to Section 8.2 had instead been deferred under Section 3;

(b) NEXT, credit an amount equal to the gross amount of any fees paid for that year, not converted to Common Stock Units, that are paid to the Director (including the amount deposited in the Director's Grantor Trust and the amount equal to the aggregate federal, state and local individual income taxes attributable to the fees paid pursuant to Section 8.2) according to Section 8.2; and

(c) FINALLY, credit an amount equal to the Interest earned for that year according to Section 8.8.

8.5 As of the end of each calendar year, the Company shall adjust each Director's After-Tax Fee Account as follows:

(a) FIRST, charge, in any year in which the Director is in receipt of a benefit distribution from his or her Grantor Trust, an amount equal to the product of (i) the distribution that would have been made to the Director if the aggregate amounts paid according to Section 8.2 had instead been deferred under Section 3, multiplied by (ii) a fraction, the numerator of which is the balance in the Director's After-Tax Fee Account as of the end of the prior fiscal year and the denominator of which is the balance of the Director's Pre-Tax Fee Account as of that same date;

(b) NEXT, credit an amount equal to the fees not converted to Common Stock Units that are paid that year to the Director directly to the Director's Grantor Trust according to Section 8.2; and

(c) FINALLY, credit an amount equal to the After-Tax Interest earned for that year according to Section 8.8.

8.6 As of the end of each calendar year, the Company shall adjust each Director's Pre-Tax Stock Account as follows:

(a) FIRST, charge, in any year in which the Director is entitled to receive a distribution from his or her Grantor Trust, an amount equal to the distribution that would have been made to the Director if the aggregate amount of fees paid according to Section 8.2 had instead been deferred under Section 3 and the adjustments had been made under Section 5;

(b) NEXT, credit an amount equal to the total amount of any fees for that year that are converted to Common Stock Units and paid to the Director (including the amount deposited in the Director's Grantor Trust and the amount equal to the aggregate federal, state and local individual income taxes attributable to the fees paid pursuant to Section 8.2) and allocated to the Stock Account maintained thereunder) according to Section 8.2; and

(c) NEXT, credit an amount equal to the net earnings of the Director's Grantor Trust for the year; and

(d) FINALLY, credit an amount equal to the Book Value Adjustments to be made for that year according to Section 8.9.

8.7 As of the end of each calendar year, the Company shall adjust each Director's After-Tax Stock Account as follows:

(a) FIRST, charge, in any year in which the Director is entitled to receive a distribution from his or her Grantor Trust, an amount equal to the product of (i) the distribution that would have been made to the Director if the aggregate amounts paid according to Section 8.2 had instead been deferred under Section 3 and the adjustments had been made under Section 5, multiplied by (ii) a fraction, the numerator of which is the balance in the Director's After-Tax Stock Account as of the end of the prior fiscal year and the denominator of which is the balance of the Director's Pre-Tax Stock Account as of that same date;

(b) NEXT, credit an amount equal to the fees converted to Common Stock Units that are paid that year to the Director directly to the Director's Grantor Trust and allocated to the Stock Account maintained thereunder according to Section 8.2; and

(c) NEXT, credit an amount equal to the net earnings of the Director's Grantor Trust for the year; and

(d) FINALLY, credit an amount equal to the Book Value Adjustments to be made for that year according to Section 8.9.

8.8 The Director's Pre-Tax Fee Account and After-Tax Fee Account shall be credited with interest as follows:

(a) As of the end of each calendar year, a Director's Pre-Tax Fee Account 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 calendar year, a Director's After-Tax Fee 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) (the "After-Tax Interest").

8.9 As of the end of each calendar year, a Director's Pre-Tax Stock Account and After-Tax Stock Account shall be adjusted as provided in Section 5.4, to the extent applicable, and shall also be adjusted to reflect the increase or decrease in the fair market value of the Company's common stock determined in accordance with Section 5.5, except that (i) any reference to the payment date in such Section shall mean December 31 of the applicable calendar year for purposes of this Section, and (ii) adjustments to the After-Tax Stock Account shall be made on an after-tax basis. Such adjustments shall be referred to as "Book Value Adjustments."

8.10 In addition to any fees paid to a Director's Grantor Trust under Section 8.2 during the year, the Company shall also make a payment (an "Interest Payment") with respect to each Director 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 gross amount of the Interest credited to the Director (as defined in Section 8.8(a)), over the net earnings of the Director's Grantor Trust for the year, and shall be paid within the thirty (30)-day period beginning April 1 of the following calendar year. A portion of such gross Interest Payment, equal to the excess, if any, of the Net Interest Accrual over the net earnings of the Director's Grantor Trust, shall be deposited in the Director's Grantor Trust, with the balance paid to the Director; provided, however, in the event that the net earnings of the Director's Grantor Trust exceeds the Net Interest Accrual, a distribution from the Grantor Trust shall be required in accordance with Section 8.15. A Director's Net Interest Accrual for a year is an amount equal to the After-Tax Interest credited to the Director's After-Tax Fee Account for that year in accordance with Section 8.8(b).

8.11 In addition to the fees paid under Section 8.2 during the year and the Interest Payment described above, the Company shall also make a payment (a "Principal Payment") with respect to each Director who has established a Grantor Trust for each year in which the Grantor Trust is in effect, to be credited to the Stock Account maintained thereunder. The Principal Payment shall equal the excess, if any, of 75 percent of the fair market value (as determined in accordance with Section 6.5) of the balance of the Director's Pre-Tax Stock Account on December 31 over the balance in the Stock Account maintained under the Director's Grantor Trust as of that same date, and shall be paid within the thirty (30)-day period beginning April 1 of the following calendar year. For the calendar year in which the last installment distribution is made from the Director's Grantor Trust (meaning, the year that is X years following the year of the event triggering the payments, where X is the same number of years served by the Director), the payment made under this Section 8.11 shall equal the excess, if any, of 100 percent of the balance of the Director's After-Tax Stock Account over the balance in the Stock Account maintained under the Director's Grantor Trust as of that same date.

8.12 Each Director'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 established by the Committee.

8.13 For purposes of Section 8, a Director'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 Section 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 Director's residence on the date such a calculation is made, net of any federal tax benefits without a benefit for any net capital losses. Notwithstanding the preceding sentence, if a Director is not a citizen or resident of the United States, his or her income tax rates shall be deemed to be the highest marginal income tax rates actually imposed on the Director's benefits under this Plan or earnings under his or her Grantor Trust without a benefit for any net capital losses.

8.14 If a portion of a Director's fees have been paid to a Grantor Trust pursuant to Section 8.2, then those fees and earnings thereon shall be paid to him from the Grantor Trust in the order in which they were earned (i.e., the fees for the earliest year of service as a Director will be the first fees distributed from the Grantor Trust(s), the fees for the next earliest year of service as a Director will be paid on the anniversary of the payment of the first installment, etc.). The distribution of a Director's fees shall continue until all fees which the Director is entitled to receive under the Plan shall have been paid in accordance with the terms of the Grantor Trust(s).

8.15 AbbVie, as the administrator of the Director's Grantor Trust, may direct the trustee to distribute to the Director from the income of such Grantor Trust, a sum of money sufficient to pay the taxes on trust earnings for such year, to the extent a sufficient sum of money has not been paid to the Director pursuant to Section 8.10 or 8.11, as applicable. The taxes shall be determined in accordance with Section 8.13.

8.16 AbbVie, as the administrator of the Director's Grantor Trust, may direct the trustee to pay the appropriate federal, state and local individual income taxes attributable to the fees and other payments paid to the Director pursuant to Sections 8.2, 8.10 and 8.11 to the applicable tax authorities on behalf of the Director. The taxes shall be determined in accordance with Section 8.13.

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

I, Richard A. Gonzalez, certify that:

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

Date: May 8, 2020

/s/ Richard A. Gonzalez

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

Date: May 8, 2020

/s/ Robert A. Michael

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Robert A. Michael, Executive Vice President,  
Chief Financial Officer

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

In connection with the Quarterly Report of AbbVie Inc. (the "Company") on Form 10-Q for the period ended March 31, 2020 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

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Richard A. Gonzalez

Chairman of the Board and Chief Executive Officer

May 8, 2020

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

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

In connection with the Quarterly Report of AbbVie Inc. (the "Company") on Form 10-Q for the period ended March 31, 2020 as filed with the Securities and Exchange Commission (the "Report"), I, Robert A. Michael, Executive Vice President, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

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

/s/ Robert A. Michael

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Robert A. Michael

Executive Vice President, Chief Financial Officer

May 8, 2020

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.