UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2017

OR

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

For the transition period from ________________ to ________________

Commission File No. 001-35565

abbvie

AbbVie Inc.

(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

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 x No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No ☐

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

Large Accelerated Filer x	Accelerated Filer ☐
Non-Accelerated Filer ☐ (Do not check if a smaller reporting company)	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 x

As of April 24, 2017, AbbVie Inc. had 1,591,540,513 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, 2017		Three months ended March 31, 2016	
Net revenues	$	6,538	$	5,958
Cost of products sold		1,616		1,369
Selling, general and administrative		1,368		1,355
Research and development		1,135		946
Acquired in-process research and development		—		10
Total operating costs and expenses		4,119		3,680
Operating earnings		2,419		2,278
Interest expense, net		247		200
Net foreign exchange loss		13		302
Other expense, net		73		—
Earnings before income tax expense		2,086		1,776
Income tax expense		375		422
Net earnings	$	1,711	$	1,354
Per share data				
Basic earnings per share	$	1.07	$	0.83
Diluted earnings per share	$	1.06	$	0.83
Cash dividends declared per common share	$	0.64	$	0.57
Weighted-average basic shares outstanding		1,597		1,616
Weighted-average diluted shares outstanding		1,603		1,625

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

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

	Three months ended March 31,	
(in millions)	2017	2016
Net earnings	$ 1,711	$ 1,354
Foreign currency translation adjustments, net of tax expense (benefit) of $— for the three months ended March 31, 2017 and $41 for the three months ended March 31, 2016	170	188
Net investment hedging activities, net of tax expense (benefit) of $(36) for the three months ended March 31, 2017 and $— for the three months ended March 31, 2016	(64)	—
Pension and post-employment benefits, net of tax expense (benefit) of $8 for the three months ended March 31, 2017 and $8 for the three months ended March 31, 2016	11	15
Marketable security activities, net of tax expense (benefit) of $(1) for the three months ended March 31, 2017 and $(7) for the three months ended March 31, 2016	(8)	(25)
Cash flow hedging activities, net of tax expense (benefit) of $(13) for the three months ended March 31, 2017 and $(7) for the three months ended March 31, 2016	(65)	(40)
Other comprehensive income	44	138
Comprehensive income	$ 1,755	$ 1,492

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, 2017	December 31, 2016
	(unaudited)	
Assets		
Current assets		
Cash and equivalents	$ 4,740	$ 5,100
Short-term investments	1,508	1,323
Accounts receivable, net	4,677	4,758
Inventories	1,427	1,444
Prepaid expenses and other	3,195	3,562
Total current assets	15,547	16,187
Investments	2,123	1,783
Property and equipment, net	2,612	2,604
Intangible assets, net	28,629	28,897
Goodwill	15,490	15,416
Other assets	1,263	1,212
Total assets	$ 65,664	$ 66,099
Liabilities and Equity		
Current liabilities		
Short-term borrowings	$ 400	$ 377
Current portion of long-term debt and lease obligations	25	25
Accounts payable and accrued liabilities	8,419	9,379
Total current liabilities	8,844	9,781
Long-term debt and lease obligations	36,526	36,440
Deferred income taxes	6,797	6,890
Other long-term liabilities	8,499	8,352
Commitments and contingencies		
Stockholders' equity		
Common stock, $0.01 par value, 4,000,000,000 shares authorized, 1,762,827,782 shares issued as of March 31, 2017 and 1,754,900,486 as of December 31, 2016	18	18
Common stock held in treasury, at cost, 171,461,810 shares as of March 31, 2017 and 162,387,762 as of December 31, 2016	(11,430)	(10,852)
Additional paid-in capital	13,889	13,678
Retained earnings	5,063	4,378
Accumulated other comprehensive loss	(2,542)	(2,586)
Total stockholders' equity	4,998	4,636
Total liabilities and equity	$ 65,664	$ 66,099

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, 2017	2016
Cash flows from operating activities		
Net earnings	$ 1,711	$ 1,354
Adjustments to reconcile net earnings to net cash from operating activities:		
Depreciation	103	103
Amortization of intangible assets	271	165
Change in fair value of contingent consideration	85	—
Stock-based compensation	141	138
Upfront costs and milestones related to collaborations	28	25
Devaluation loss related to Venezuela	—	298
Other, net	45	62
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(34)	81
Inventories	71	19
Prepaid expenses and other assets	(53)	(159)
Accounts payable and other liabilities	(266)	42
Cash flows from operating activities	2,102	2,128
Cash flows from investing activities		
Acquisitions and investments	(63)	(28)
Acquisitions of property and equipment	(95)	(121)
Purchases of investment securities	(970)	(1,342)
Sales and maturities of investment securities	444	33
Cash flows from investing activities	(684)	(1,458)
Cash flows from financing activities		
Net change in short-term borrowings	23	(6)
Repayments of long-term debt and lease obligations	(6)	—
Dividends paid	(1,027)	(924)
Purchases of treasury stock	(895)	(409)
Proceeds from the exercise of stock options	85	77
Other, net	26	43
Cash flows from financing activities	(1,794)	(1,219)
Effect of exchange rate changes on cash and equivalents	16	(294)
Net decrease in cash and equivalents	(360)	(843)
Cash and equivalents, beginning of period	5,100	8,399
Cash and equivalents, end of period	$ 4,740	$ 7,556

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

Note 1 Basis of Presentation

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, 2016.

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.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In January 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. The standard provides clarifying guidance to assist in the evaluation of whether transactions are treated as business combinations or asset acquisitions. AbbVie elected to early adopt the standard in the first quarter of 2017. This standard will be applied prospectively to any transactions occurring after adoption.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation-Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. AbbVie adopted the standard in the first quarter of 2017. As a result, all excess tax benefits associated with stock-based awards are recognized in the statement of earnings when the awards vest or settle, rather than in stockholders' equity. In addition, excess tax benefits in the statement of cash flows are now classified as an operating activity rather than as a financing activity. AbbVie adopted these changes prospectively and recognized $26 million of excess tax benefits in income tax expense and classified this within cash flows from operating activities for the three months ended March 31, 2017.

Recent Accounting Pronouncements Not Yet Adopted

In May 2014, the FASB issued ASU No. 2014-09, *Summary and Amendments That Create Revenue from Contracts with Customers (Topic 606) and Other Assets and Deferred Costs-Contracts with Customers (Subtopic 340-40)*. The amendments in this standard supersede most current revenue recognition requirements. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. AbbVie can apply the amendments using one of the following two methods: (i) retrospectively to each prior reporting period presented, or (ii) modified retrospectively with the cumulative effect of initially applying the amendments recognized at the date of initial application. AbbVie will adopt the standard effective the first quarter of 2018 and apply the amendments using the modified retrospective method. AbbVie's revenues are primarily comprised of product sales. AbbVie is currently assessing the impact of adopting this guidance on its consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The standard requires several targeted changes including that equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) be measured at fair value with changes in fair value recognized in net earnings. These provisions will not impact the accounting for AbbVie's investments in debt securities. The new guidance also changes certain disclosure requirements and other aspects of current U.S. GAAP. Amendments are to be applied as a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. This standard will be effective for AbbVie starting with the first quarter of 2018. The standard does not permit early adoption with the exception of certain targeted provisions. AbbVie is currently assessing the impact of adopting this guidance on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. ASU 2016-02 outlines a comprehensive lease accounting model and supersedes the current lease guidance. The new standard requires lessees to recognize lease liabilities and corresponding right-of-use assets for all leases with lease terms greater than 12 months. It also changes the definition of a lease and expands the disclosure requirements of lease arrangements. The new standard must be adopted using the modified retrospective approach and will be effective for AbbVie starting with the first quarter of 2019. Early adoption is permitted. AbbVie is currently assessing the impact and timing of adopting this guidance on its consolidated financial statements.

In June 2016, the FASB issued 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. Additionally, the standard requires new disclosures and will be effective for AbbVie starting with the first quarter of 2020. Early adoption beginning in the first quarter of 2019 is permitted. With certain exceptions, adjustments are to be applied using a modified-retrospective approach by reflecting adjustments through a cumulative-effect impact to retained earnings as of the beginning of the fiscal year of adoption. AbbVie is currently assessing the impact and timing of adopting this guidance on its consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740)*. The new standard requires entities to recognize the income tax consequences of an intercompany transfer of an asset other than inventory when the transfer occurs. Under current U.S. GAAP, the income tax consequences of these intercompany asset transfers are deferred until the asset is sold to a third party or otherwise recovered through use. The standard will be effective for AbbVie starting with the first quarter of 2018. Adjustments for this update are to be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings with any adjustments reflected as of the beginning of the fiscal year of adoption. AbbVie is currently assessing the impact of adopting this guidance on its consolidated financial statements. As of March 31, 2017, AbbVie had approximately $1.8 billion of prepaid income tax assets that will be affected by this standard, of which $1.3 billion was included in prepaid expenses and other on the condensed consolidated balance sheet.

In March 2017, the FASB issued ASU No. 2017-07, *Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*. The standard requires that an employer continue to report the service cost component of net periodic benefit cost in the same income statement line item or items as other employee compensation costs arising from services rendered during the period. The other components of net periodic benefit cost are required to be presented separately outside of income from operations, and are not eligible for capitalization. This standard will be effective for AbbVie starting with the first quarter of 2018. AbbVie is currently assessing the impact of adopting this guidance on its consolidated financial statements.

Note 2 Supplemental Financial Information

Interest Expense, Net

	Three months ended March 31,	
(in millions)	**2017**	**2016**
Interest expense	$ 273	$ 215
Interest income	(26)	(15)
Interest expense, net	$ 247	$ 200

Inventories

(in millions)	**March 31, 2017**	**December 31, 2016**
Finished goods	$ 273	$ 223
Work-in-process	1,024	1,080
Raw materials	130	141
Inventories	$ 1,427	$ 1,444

Property and Equipment

(in millions)	March 31, 2017	December 31, 2016
Property and equipment, gross	$ 7,596	$ 7,526
Accumulated depreciation	(4,984)	(4,922)
Property and equipment, net	$ 2,612	$ 2,604

Depreciation expense was $103 million for the three months ended March 31, 2017 and 2016.

Note 3 Earnings Per Share

AbbVie grants certain shares of restricted stock awards (RSAs) and 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:

	Three months ended March 31,	
(in millions, except per share information)	2017	2016
Basic EPS		
Net earnings	$ 1,711	$ 1,354
Earnings allocated to participating securities	9	7
Earnings available to common shareholders	$ 1,702	$ 1,347
Weighted-average basic shares outstanding	1,597	1,616
Basic earnings per share	$ 1.07	$ 0.83
Diluted EPS		
Net earnings	$ 1,711	$ 1,354
Earnings allocated to participating securities	9	7
Earnings available to common shareholders	$ 1,702	$ 1,347
Weighted-average shares of common stock outstanding	1,597	1,616
Effect of dilutive securities	6	9
Weighted-average diluted shares outstanding	1,603	1,625
Diluted earnings per share	$ 1.06	$ 0.83

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 were insignificant for all periods presented.

Note 4 Licensing, Acquisitions and Other Arrangements

Acquisition of Stemcentrx

On June 1, 2016, AbbVie acquired all of the outstanding equity interests in Stemcentrx, a privately-held biotechnology company. The transaction expanded AbbVie’s oncology pipeline by adding the late-stage asset rovalpituzumab tesirine (Rova-T), four additional early-stage clinical compounds in solid tumor indications and a significant portfolio of pre-clinical assets. Rova-T is currently in registrational trials for small cell lung cancer.

The acquisition of Stemcentrx was accounted for as a business combination using the acquisition method of accounting.

The aggregate upfront consideration for the acquisition of Stemcentrx consisted of approximately 62.4 million shares of AbbVie common stock, issued from common stock held in treasury, and cash. AbbVie may make up to $4.0 billion in additional payments upon the achievement of certain development and regulatory milestones. The acquisition-date fair value of this contingent consideration totaled $620 million and was estimated using a combination of probability-weighted discounted cash flow models and Monte Carlo simulation models. The estimate was based on significant inputs that are not observable in the market, referred to as Level 3 inputs, as described in more detail in Note 8. The following table summarizes total consideration:

(in millions)		
Cash	$	1,883
Fair value of AbbVie common stock		3,923
Contingent consideration		620
Total consideration	$	6,426

The following table summarizes fair values of assets acquired and liabilities assumed as of the June 1, 2016 acquisition date:

(in millions)		
Assets acquired and liabilities assumed		
Accounts receivable	$	1
Prepaid expenses and other		7
Property and equipment		17
Intangible assets - Indefinite-lived research and development		6,100
Accounts payable and accrued liabilities		(31)
Deferred income taxes		(1,933)
Other long-term liabilities		(7)
Total identifiable net assets		4,154
Goodwill		2,272
Total assets acquired and liabilities assumed	$	6,426

Intangible assets related to acquired in-process research and development (IPR&D) for Rova-T, four additional early-stage clinical compounds in solid tumor indications and several additional pre-clinical compounds. The estimated fair value of the acquired IPR&D was determined using the multi-period excess earnings model of the “income approach,” which is a valuation technique that provides an estimate of the fair value of an asset based on market participant expectations of the cash flows an asset would generate over its remaining useful life. Some of the more significant assumptions inherent in the development of those asset valuations include the estimated annual cash flows for each asset or product (including net revenues, cost of sales, research and development (R&D) costs, selling and marketing costs and working capital/contributory asset charges), the appropriate discount rate to select in order to measure the risk inherent in each future cash flow stream, the assessment of each asset’s life cycle, the regulatory approval probabilities, commercial success risks, competitive landscape as well as other factors.

The goodwill recognized from the acquisition of Stemcentrx represents expected synergies, including the ability to: (i) leverage the respective strengths of each business; (ii) expand the combined company’s product portfolio; (iii) accelerate AbbVie's clinical and commercial presence in oncology; and (iv) establish a strong leadership position in oncology and was impacted by the establishment of a deferred tax liability for the acquired identifiable intangible assets which have no tax basis. The goodwill is not deductible for tax purposes.

Pro Forma Financial Information

The following table presents the unaudited pro forma combined results of operations of AbbVie and Stemcentrx for the three months ended March 31, 2016 as if the acquisition of Stemcentrx had occurred on January 1, 2015:

(in millions, except per share information)	Three months ended March 31, 2016	
Net revenues	$	5,959
Net earnings		1,287
Basic earnings per share	$	0.77
Diluted earnings per share	$	0.76

The unaudited pro forma financial information was prepared using the acquisition method of accounting and was based on the historical financial information of AbbVie and Stemcentrx. In order to reflect the occurrence of the acquisition on January 1, 2015 as required, the unaudited pro forma financial information includes adjustments to reflect the additional interest expense associated with the issuance of debt to finance the acquisition and the reclassification of acquisition, integration, and financing-related costs incurred during 2016 to the three months ended March 31, 2015. The unaudited pro forma financial information is not necessarily indicative of what the consolidated results of operations would have been had the acquisition been completed on January 1, 2015. In addition, the unaudited pro forma financial information is not a projection of the future results of operations of the combined company nor does it reflect the expected realization of any cost savings or synergies associated with the acquisition.

Acquisition of BI 655066 and BI 655064 from Boehringer Ingelheim

On April 1, 2016, AbbVie acquired all rights to risankizumab (BI 655066), an anti-IL-23 monoclonal biologic antibody in Phase 3 development for psoriasis, from Boehringer Ingelheim (BI) pursuant to a global collaboration agreement. AbbVie is also evaluating the potential of this biologic therapy in Crohn’s disease, psoriatic arthritis and asthma. In addition to risankizumab, AbbVie also gained rights to an anti-CD40 antibody, BI 655064, currently in Phase 1 development. BI will retain responsibility for further development of BI 655064, and AbbVie may elect to advance the program after completion of certain clinical achievements. The acquired assets include all patents, data, know-how, third-party agreements, regulatory filings and manufacturing technology related to BI 655066 and BI 655064.

The company concluded that the acquired assets met the definition of a business and accounted for the transaction as a business combination using the acquisition method of accounting. Under the terms of the agreement, AbbVie made an upfront payment of $595 million. Additionally, $18 million of payments to BI, pursuant to a contractual obligation to reimburse BI for certain development costs it incurred prior to the acquisition date, were initially deferred. AbbVie may make certain contingent payments upon the achievement of defined development, regulatory and commercial milestones, as well as royalty payments based on net revenues of licensed products. The maximum aggregate amount payable for development and regulatory milestones is approximately $1.6 billion. The acquisition-date fair value of these milestones was $606 million. The acquisition-date fair value of contingent royalty payments was $2.8 billion. The potential contingent consideration payments were estimated by applying a probability-weighted expected payment model for contingent milestone payments and a Monte Carlo simulation model for contingent royalty payments, which were then discounted to present value. The fair value measurements were based on Level 3 inputs.

The following table summarizes total consideration:

(in millions)		
Cash	$	595
Deferred consideration payable		18
Contingent consideration		3,365
Total consideration	$	3,978

The following table summarizes fair values of assets acquired as of the April 1, 2016 acquisition date:

(in millions)		
Assets acquired		
Identifiable intangible assets - Indefinite-lived research and development	$	3,890
Goodwill		88
Total assets acquired	$	3,978

The estimated fair value of the acquired IPR&D was determined using the multi-period excess earnings model of the “income approach.” The goodwill recognized from this acquisition includes expected synergies, including an expansion of the combined company’s immunology product portfolio.

Pro forma results of operations for this acquisition have not been presented because this acquisition is insignificant to AbbVie’s consolidated results of operations.

Other Licensing & Acquisitions Activity

Excluding the acquisitions above, cash outflows related to other acquisitions and investments totaled $63 million for the three months ended March 31, 2017 and $28 million for the three months ended March 31, 2016. AbbVie recorded no IPR&D charges for the three months ended March 31, 2017 and IPR&D charges of $10 million for the three months ended March 31, 2016.

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:

	Three months ended March 31,	
(in millions)	2017	2016
United States - Janssen's share of profits (included in cost of products sold)	$ 212	$ 153
International - AbbVie's share of profits (included in net revenues)	94	56
Global - AbbVie's share of other costs (included in respective line items)	59	63

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, 2016	$ 15,416
Foreign currency translation adjustments	74
Balance as of March 31, 2017	$ 15,490

The latest impairment assessment of goodwill was completed in the third quarter of 2016. As of March 31, 2017, there were no accumulated goodwill impairment losses. Future impairment tests for goodwill will be performed annually in the third quarter, or earlier if impairment indicators exist.

Intangible Assets, Net

The following table summarizes intangible assets:

	March 31, 2017			December 31, 2016		
(in millions)	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Definite-lived intangible assets						
Developed product rights	$ 16,471	$ (4,451)	$ 12,020	$ 16,464	$ (4,256)	$ 12,208
License agreements	7,809	(1,190)	6,619	7,809	(1,110)	6,699
Total definite-lived intangible assets	24,280	(5,641)	18,639	24,273	(5,366)	18,907
Indefinite-lived research and development	9,990	—	9,990	9,990	—	9,990
Total intangible assets, net	$ 34,270	$ (5,641)	$ 28,629	$ 34,263	$ (5,366)	$ 28,897

Amortization expense was $271 million for the three months ended March 31, 2017 and $165 million for the three months ended March 31, 2016. Amortization expense was included in cost of products sold in the condensed consolidated statements of earnings.

For the three months ended March 31, 2017, no impairment charges were recorded to intangible assets. For the three months ended March 31, 2016, an impairment charge of $39 million was recorded related to certain developed product rights in the United States due to a decline in the market for the product. The fair value was based on a discounted cash flow analysis and the charge was included in cost of products sold in the condensed consolidated statement of earnings.

The indefinite-lived intangible assets represent acquired IPR&D associated with products that have not yet received regulatory approval. Indefinite-lived intangible assets as of March 31, 2017 and December 31, 2016 primarily related to the acquisitions of Stemcentrx and BI compounds. See Note 4 for additional information. The latest impairment assessment of intangible assets not subject to amortization was completed in the third quarter of 2016. No impairment charges were recorded for the three months ended March 31, 2017 and 2016. Future impairment tests for indefinite-lived intangible assets will be performed annually in the third quarter, or earlier if impairment indicators exist.

Note 7 Restructuring Plans

AbbVie recorded restructuring charges of $16 million for the three months ended March 31, 2017 and $3 million for the three months ended March 31, 2016.

The following table summarizes the cash activity in the restructuring reserve for the three months ended March 31, 2017:

(in millions)		
Accrued balance as of December 31, 2016	$	87
2017 restructuring charges		16
Payments and other adjustments		(30)
Accrued balance as of March 31, 2017	$	73

Note 8 Financial Instruments and Fair Value Measures

Risk Management Policy

See Note 10 to the company's Annual Report on Form 10-K for the year ended December 31, 2016 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 $2.9 billion at March 31, 2017 and $2.2 billion at December 31, 2016, are designated as cash flow hedges and are recorded at fair value. The durations of these forward exchange contracts were generally less than eighteen months. Accumulated gains and losses as of March 31, 2017 will be reclassified from accumulated other comprehensive loss (AOCI) and included in cost of products sold at the time the products are sold, generally not exceeding six months from the date of settlement.

The company also enters into foreign currency forward exchange contracts to manage its exposure to foreign currency denominated trade payables and receivables and intercompany loans. These contracts are not designated as hedges and are recorded at fair value. Resulting gains or losses are reflected in net foreign exchange loss in the consolidated statements of earnings and are generally offset by losses or gains on the foreign currency exposure being managed. These contracts had notional amounts totaling $6.2 billion at March 31, 2017 and $6.6 billion at December 31, 2016.

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. In the fourth quarter of 2016, the company issued €3.6 billion aggregate principal amount of senior Euro notes and designated the principal amounts of this foreign denominated debt as net investment hedges.

AbbVie is a party to interest rate hedge contracts, designated as fair value hedges, with notional amounts totaling $11.8 billion at March 31, 2017 and December 31, 2016. 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.

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

	Fair value – Derivatives in asset position			Fair value – Derivatives in liability position		
(in millions)	**Balance sheet caption**	**March 31, 2017**	**December 31, 2016**	**Balance sheet caption**	**March 31, 2017**	**December 31, 2016**
Foreign currency forward exchange contracts —						
Designated as cash flow hedges	Prepaid expenses and other	$ 80	$ 170	Accounts payable and accrued liabilities	$ 18	$ 5
Designated as cash flow hedges	Other assets	3	—	Other long-term liabilities	12	—
Not designated as hedges	Prepaid expenses and other	12	55	Accounts payable and accrued liabilities	37	33
Interest rate swaps designated as fair value hedges	Other assets	—	—	Other long-term liabilities	353	338
Total derivatives		$ 95	$ 225		$ 420	$ 376

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 amounts of gains/(losses) from derivative instruments recognized in other comprehensive income:

	Three months ended March 31,	
(in millions)	**2017**	**2016**
Foreign currency forward exchange contracts	$ (61)	$ (46)

The amount of hedge ineffectiveness was insignificant for all periods presented. Assuming market rates remain constant through contract maturities, the company expects to transfer pre-tax unrealized gains of $129 million into cost of products sold for foreign currency 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 a pre-tax loss of $100 million in other comprehensive income in the three months ended March 31, 2017.

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 effective portions of 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.

		Three months ended March 31,	
(in millions)	**Statement of earnings caption**	**2017**	**2016**
Foreign currency forward exchange contracts —			
Designated as cash flow hedges	Cost of products sold	$ 17	$ 1
Not designated as hedges	Net foreign exchange loss	(46)	(65)
Interest rate swaps designated as fair value hedges	Interest expense, net	(15)	254
Total		$ (44)	$ 190

The gain/(loss) related to outstanding interest rate swaps designated as fair value hedges is recognized in interest expense, net and directly offsets the (loss)/gain on the underlying hedged item, the fixed-rate debt, resulting in no net impact to interest expense, net for all periods presented.

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 that were carried at fair value on a recurring basis on the condensed consolidated balance sheet as of March 31, 2017:

		Basis of fair value measurement		
(in millions)	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Assets				
Cash and equivalents	$ 4,740	$ 727	$ 4,013	$ —
Time deposits	1,029	—	1,029	—
Debt securities	2,490	—	2,490	—
Equity securities	65	65	—	—
Foreign currency contracts	95	—	95	—
Total assets	$ 8,419	$ 792	$ 7,627	$ —
Liabilities				
Interest rate hedges	$ 353	$ —	$ 353	$ —
Foreign currency contracts	67	—	67	—
Contingent consideration	4,298	—	—	4,298
Total liabilities	$ 4,718	$ —	$ 420	$ 4,298

The following table summarizes the bases used to measure certain assets and liabilities that were carried at fair value on a recurring basis on the condensed consolidated balance sheet as of December 31, 2016:

		Basis of fair value measurement		
(in millions)	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets				
Cash and equivalents	$ 5,100	$ 1,191	$ 3,909	$ —
Time deposits	1,014	—	1,014	—
Debt securities	1,974	—	1,974	—
Equity securities	76	76	—	—
Foreign currency contracts	225	—	225	—
Total assets	$ 8,389	$ 1,267	$ 7,122	$ —
Liabilities				
Interest rate hedges	$ 338	$ —	$ 338	$ —
Foreign currency contracts	38	—	38	—
Contingent consideration	4,213	—	—	4,213
Total liabilities	$ 4,589	$ —	$ 376	$ 4,213

The fair values of time deposits approximate their amortized cost due to the short maturities of these instruments. The fair values of available-for-sale debt securities were based on prices obtained from commercial pricing services. Available-for-sale equity securities consists of investments for which the fair values were determined by using the published market price per unit multiplied by the number of units held, without consideration of transaction costs. The derivatives entered into by the company were valued using publicized spot curves for interest rate hedges and publicized forward curves for foreign currency contracts. 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 still in development. 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 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. At March 31, 2017, a 50 basis point increase/decrease in the assumed discount rate would have decreased/increased the value of the contingent consideration liabilities by approximately $180 million. Additionally, at March 31, 2017, a five percentage point increase/decrease in the assumed probability of success across all potential indications would have increased/decreased the value of the contingent consideration liabilities by approximately $360 million.

There have been no transfers of assets or liabilities between the fair value measurement levels. The following table is a reconciliation of the fair value measurements that use significant unobservable inputs (Level 3), which consist of contingent consideration related to the acquisitions of Stemcentrx and BI compounds. See Note 4 for additional information.

(in millions)	
Fair value as of December 31, 2016	$ 4,213
Change in fair value recognized in net earnings	85
Fair value as of March 31, 2017	$ 4,298

The change in fair value recognized in net earnings was recorded in other expense, net in the condensed consolidated statement of earnings for the three months ended March 31, 2017.

In addition to the financial instruments that the company is required to recognize at fair value on the condensed consolidated balance sheets, the company has certain financial instruments that were recognized 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, 2017 are shown in the table below:

			Basis of fair value measurement		
(in millions)	Book Value	Approximate fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
Investments	$ 47	$ 47	$ —	$ 5	$ 42
Total assets	$ 47	$ 47	$ —	$ 5	$ 42
Liabilities					
Short-term borrowings	$ 400	$ 400	$ —	$ 400	$ —
Current portion of long-term debt and lease obligations	25	25	—	25	—
Long-term debt and lease obligations, excluding fair value hedges	36,879	36,976	34,896	2,080	—
Total liabilities	$ 37,304	$ 37,401	$ 34,896	$ 2,505	$ —

The book values, approximate fair values and bases used to measure the approximate fair values of certain financial instruments as of December 31, 2016 are shown in the table below:

			Basis of fair value measurement		
(in millions)	Book Value	Approximate fair value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets					
Investments	$ 42	$ 42	$ —	$ 5	$ 37
Total assets	$ 42	$ 42	$ —	$ 5	$ 37
Liabilities					
Short-term borrowings	$ 377	$ 377	$ —	$ 377	$ —
Current portion of long-term debt and lease obligations	25	25	—	25	—
Long-term debt and lease obligations, excluding fair value hedges	36,778	36,664	34,589	2,075	—
Total liabilities	$ 37,180	$ 37,066	$ 34,589	$ 2,477	$ —

Investments primarily consist of cost method investments, for which the company takes into consideration recent transactions and financial information of the investee, which represents a Level 3 basis of fair value measurement. The fair values of short-term and current borrowings approximate the carrying values due to the short maturities of these instruments.

The fair values of long-term debt, excluding fair value hedges and the term loans, were determined by using the published market price for the debt instruments, without consideration of transaction costs, which represents a Level 1 basis of fair value measurement. The fair values of the term loans were determined based on a discounted cash flow analysis using quoted market rates, which represents a Level 2 basis of fair value measurement. The counterparties to financial instruments consist of select major international financial institutions.

Available-for-sale Securities

Substantially all of the company's investments in debt and equity securities were classified as available-for-sale. Debt securities classified as short-term were $452 million as of March 31, 2017 and $309 million as of December 31, 2016. Long-term debt securities mature primarily within five years. Estimated fair values of available-for-sale securities were generally based on prices obtained from commercial pricing services.

The following table is a summary of available-for-sale securities by type as of March 31, 2017:

		Gross unrealized		
(in millions)	**Amortized Cost**	**Gains**	**Losses**	**Fair Value**
Asset backed securities	$ 937	$ 1	$ (4)	$ 934
Corporate debt securities	1,435	2	(2)	1,435
Other debt securities	122	—	(1)	121
Equity securities	18	48	(1)	65
Total	$ 2,512	$ 51	$ (8)	$ 2,555

The following table is a summary of available-for-sale securities by type as of December 31, 2016:

		Gross unrealized		
(in millions)	**Amortized Cost**	**Gains**	**Losses**	**Fair Value**
Asset backed securities	$ 891	$ 1	$ (4)	$ 888
Corporate debt securities	961	1	(2)	960
Other debt securities	127	—	(1)	126
Equity securities	18	60	(2)	76
Total	$ 1,997	$ 62	$ (9)	$ 2,050

AbbVie had no other-than-temporary impairments as of March 31, 2017. For the three months ended March 31, 2017 and 2016, net realized gains were insignificant.

Concentrations of Risk

The functional currency of the company's Venezuela operations is the U.S. dollar due to the hyperinflationary status of the Venezuelan economy. During the first quarter of 2016, in consideration of declining economic conditions in Venezuela and a decline in transactions settled at the official rate, AbbVie determined that its net monetary assets denominated in the Venezuelan bolivar (VEF) were no longer expected to be settled at the official rate of 10 VEF per U.S. dollar, but rather at the Divisa Complementaria (DICOM) rate. Therefore, during the first quarter of 2016, AbbVie recorded a charge of $298 million to net foreign exchange loss to revalue its bolivar-denominated net monetary assets using the DICOM rate then in effect of approximately 270 VEF per U.S. dollar. As of March 31, 2017 and December 31, 2016, AbbVie's net monetary assets in Venezuela were insignificant.

AbbVie continues to do business with foreign governments in certain countries, including Greece, Portugal, Italy and Spain, which have historically experienced challenges in credit and economic conditions. Substantially all of AbbVie's trade receivables in Greece, Portugal, Italy and Spain are with government health systems. Outstanding net governmental receivables in these countries totaled $244 million at March 31, 2017 and December 31, 2016. The company also continues to do business with foreign governments in certain oil-exporting countries which have recently experienced a deterioration in economic conditions, including Saudi Arabia and Russia. Outstanding net governmental receivables related to Saudi Arabia were $125 million as of March 31, 2017 and $122 million as of December 31, 2016. Outstanding net governmental receivables related to Russia were $110 million as of March 31, 2017 and December 31, 2016. Due to oil market conditions in recent years, liquidity issues in certain countries may result in delays in the collection of receivables. Global economic conditions and customer-specific factors may require the company to periodically re-evaluate the collectability of its receivables and the company could potentially incur credit losses.

Of total net accounts receivable, three U.S. wholesalers accounted for 49% as of March 31, 2017 and 51% as of December 31, 2016, 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 63% of AbbVie's total net revenues for the three months ended March 31, 2017 and 60% for the three months ended March 31, 2016.

Debt and Credit Facilities

Short-term borrowings included commercial paper of $400 million as of March 31, 2017 and $377 million as of December 31, 2016. The weighted-average interest rate on commercial paper borrowings was 1.1% for the three months ended March 31, 2017 and was 0.6% for the three months ended March 31, 2016.

Note 9 Post-Employment Benefits

The following is a summary of net periodic benefit costs relating to the company's defined benefit and other post-employment plans:

	Defined benefit plans		Other post-employment plans	
	Three months ended March 31,		Three months ended March 31,	
(in millions)	2017	2016	2017	2016
Service cost	$ 58	$ 53	$ 7	$ 7
Interest cost	50	51	6	6
Expected return on plan assets	(95)	(89)	—	—
Amortization of actuarial losses and prior service costs	26	22	1	—
Net periodic benefit cost	$ 39	$ 37	$ 14	$ 13

AbbVie's principal domestic defined benefit plan is the AbbVie Pension Plan. AbbVie made voluntary contributions to this plan of $150 million in the three months ended March 31, 2017 and 2016.

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:

	Three months ended March 31,	
(in millions)	2017	2016
Cost of products sold	$ 3	$ 3
Research and development	64	63
Selling, general and administrative	74	72
Pre-tax compensation expense	141	138
Tax benefit	47	48
After-tax compensation expense	$ 94	$ 90

Stock Options

During the three months ended March 31, 2017, in connection with the company's annual grant, AbbVie granted 1.2 million stock options with a weighted-average grant-date fair value of $9.80. As of March 31, 2017, $33 million of unrecognized compensation cost related to stock options is expected to be recognized as expense over approximately the next two years.

RSAs, RSUs and Performance Shares

During the three months ended March 31, 2017, in connection with the company's annual grant, AbbVie granted 5.7 million RSUs and performance shares with a weighted-average grant-date fair value of $61.38. As of March 31, 2017, $408 million of unrecognized compensation cost related to RSAs, 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 for the three months ended March 31, 2017 and the full year 2016:

2017			2016		
Date Declared	**Payment Date**	**Dividend Per Share**	**Date Declared**	**Payment Date**	**Dividend Per Share**
02/16/17	05/15/17	$ 0.64	10/28/16	02/15/17	$ 0.64
			09/09/16	11/15/16	$ 0.57
			06/16/16	08/15/16	$ 0.57
			02/18/16	05/16/16	$ 0.57

Stock Repurchase Program

On February 16, 2017, AbbVie's board of directors authorized a $5.0 billion increase to AbbVie's existing stock repurchase program. The stock repurchase authorization permits purchases of AbbVie shares from time to time in open-market or private transactions at management's direction depending on the company's cash flows, net debt level and market conditions. 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.

AbbVie repurchased approximately 7.8 million shares in the open market for $500 million during the three months ended March 31, 2017. During the three months ended March 31, 2017, AbbVie cash-settled $285 million of its open market purchases made at the end of 2016. AbbVie's remaining stock repurchase authorization was $4.5 billion as of March 31, 2017.

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, 2017:

(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, 2016	$ (1,435)	$ 140	$ (1,513)	$ 46	$ 176	$ (2,586)
Other comprehensive income (loss) before reclassifications	170	(64)	(8)	2	(49)	51
Net losses (gains) reclassified from accumulated other comprehensive loss	—	—	19	(10)	(16)	(7)
Net current-period other comprehensive income (loss)	170	(64)	11	(8)	(65)	44
Balance as of March 31, 2017	$ (1,265)	$ 76	$ (1,502)	$ 38	$ 111	$ (2,542)

Other comprehensive income for the three months ended March 31, 2017 included foreign currency translation adjustments totaling a gain of $170 million, which was principally due to the impact of the improvement in the Euro in the three months ended March 31, 2017 on the translation of the company’s assets denominated in the Euro.

The following table summarizes the changes in each component of accumulated other comprehensive loss, net of tax, for the three months ended March 31, 2016:

(in millions)	Foreign currency translation adjustments	Pension and post-employment benefits	Marketable security activities	Cash flow hedging activities	Total
Balance as of December 31, 2015	$ (1,270)	$ (1,378)	$ 47	$ 40	$ (2,561)
Other comprehensive income (loss) before reclassifications	188	1	(24)	(39)	126
Net losses (gains) reclassified from accumulated other comprehensive loss	—	14	(1)	(1)	12
Net current-period other comprehensive income (loss)	188	15	(25)	(40)	138
Balance as of March 31, 2016	$ (1,082)	$ (1,363)	$ 22	$ —	$ (2,423)

Other comprehensive income for the three months ended March 31, 2016 included foreign currency translation adjustments totaling a gain of $188 million, which was principally due to the impact of the improvement in the Euro in the three months ended March 31, 2016 on the translation of the company's assets denominated in the Euro.

The table below presents the impact on AbbVie's condensed consolidated statements of earnings for significant amounts reclassified out of each component of AOCI for the three months ended March 31, 2017 and 2016:

	Three months ended March 31,	
(in millions) (brackets denote gains)	2017	2016
Pension and post-employment benefits		
Amortization of actuarial losses and other[(a)]	$ 27	$ 22
Tax benefit	(8)	(8)
Total reclassifications, net of tax	$ 19	$ 14
Cash flow hedging activities		
Losses (gains) on designated cash flow hedges[(b)]	$ (17)	$ (1)
Tax expense	1	—
Total reclassifications, net of tax	$ (16)	$ (1)

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

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

Note 11 Income Taxes

The effective tax rate was 18% for the three months ended March 31, 2017 and 24% for the three months ended March 31, 2016. The effective tax rate in each period differed from the statutory tax rate principally due to the benefit from foreign operations which reflects the impact of lower income tax rates in locations outside the United States, tax exemptions and incentives in Puerto Rico and other foreign tax jurisdictions and business development activities together with the cost of repatriation decisions. The decrease in the effective tax rate for the three months ended March 31, 2017 over the prior year was principally due to changes in the jurisdictional mix of earnings, as well as certain discrete factors and events, including collaborations, the impact of the prior year non-deductible devaluation loss related to Venezuela and the impact of the adoption of ASU No. 2016-09, which changed the accounting treatment for excess tax benefits associated with stock-based awards. See Note 1 for additional information related to the adoption of this accounting pronouncement.

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 twelve months up to $231 million. AbbVie and Abbott Laboratories (Abbott) entered into a tax sharing agreement effective on the date of separation, which provides that Abbott is liable for and has indemnified AbbVie against all income tax liabilities for periods prior to the separation. Accordingly, Abbott will indemnify and hold AbbVie harmless if the tax positions are settled for amounts in excess of recorded liabilities, and AbbVie will not benefit if prior tax positions are resolved more favorably than recorded amounts.

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 $225 million as of March 31, 2017 and December 31, 2016. Initiation of new legal proceedings or a change in the status of existing proceedings may result in a change in the estimated loss accrued by AbbVie. While it is not feasible to predict the outcome of all proceedings and exposures with certainty, management believes that their ultimate disposition should not have a material adverse effect on AbbVie's consolidated financial position, results of operations or cash flows.

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

Several pending lawsuits filed against Unimed Pharmaceuticals, Inc., Solvay Pharmaceuticals, Inc. (a company Abbott acquired in February 2010 and now known as AbbVie Products LLC) and others are consolidated for pre-trial purposes in the United States District Court for the Northern District of Georgia under the Multi-District Litigation (MDL) Rules as *In re: AndroGel Antitrust Litigation*, MDL No. 2084. These cases, brought by private plaintiffs and the Federal Trade Commission (FTC), generally allege Solvay's patent litigation involving AndroGel was sham litigation and the 2006 patent litigation settlement agreements and related agreements with three generic companies violate federal antitrust laws. Plaintiffs generally seek monetary damages and/or injunctive relief and attorneys' fees. These cases include: (a) four individual plaintiff lawsuits; (b) three purported class actions; and (c) *Federal Trade Commission v. Actavis, Inc. et al.* Following the district court's dismissal of all plaintiffs' claims, appellate proceedings led to the reinstatement of the claims regarding the patent litigation settlements, which are proceeding in discovery in the district court. The Attorney General of the State of Alaska had also served AbbVie with a Civil Investigative Demand, primarily seeking documents that AbbVie produced in these lawsuits. In January 2017, the Alaska Attorney General's office reported that it had closed that matter and would not be taking further action.

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 three named direct purchasers of Niaspan and the other brought by ten named end-payor purchasers of Niaspan. The cases are consolidated for pre-trial proceedings in the United States District Court for the Eastern District of Pennsylvania under the MDL Rules as *In re: Niaspan Antitrust Litigation*, MDL No. 2460. The office of the Attorney General of the State of Alaska had also served AbbVie with a Civil Investigative Demand, primarily seeking documents that AbbVie produced in this lawsuit. In January 2017, the Alaska Attorney General's office reported that it had closed that matter and would not be taking further action. In October 2016, the State of California filed a lawsuit 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 November 2007, GlaxoSmithKline plc (GSK) filed a lawsuit against Abbott in the United States District Court for the Northern District of California alleging that Abbott violated federal antitrust and various state laws in connection with the 2003 Norvir re-pricing. In March 2011, a jury found that Abbott did not violate antitrust laws, but breached its license agreement with GSK. In January 2014, the United States Court of Appeals for the Ninth Circuit reversed this verdict and remanded the case for a new trial due to the alleged improper exclusion of a potential juror. The case was returned to the district court in California, but after GSK dismissed its federal antitrust claims, the case was transferred in April 2015 to the United States District Court for the Middle District of North Carolina, where the case is proceeding. AbbVie assumed the liability for and control of this proceeding in connection with its separation from Abbott.

In September 2014, the FTC filed suit in the United States District Court for the Eastern District of Pennsylvania against AbbVie and others, alleging that the 2011 patent litigation with two generic companies regarding AndroGel was sham litigation and the patent litigation settlement with one of those generic companies violates federal antitrust laws. The FTC's complaint seeks monetary damages and injunctive relief. In May 2015, the court dismissed the FTC's claim regarding the patent litigation settlement. The office of the Attorney General of the State of Alaska had also served AbbVie with a Civil Investigative Demand, primarily seeking documents that AbbVie produced in this lawsuit. In January 2017, the Alaska Attorney General's office reported that it had closed that matter and would not be taking further action.

In March 2015, the State of Louisiana filed a lawsuit, *State of Louisiana v. Fournier Industrie et Sante, et al.*, against AbbVie, Abbott and affiliated Abbott entities in Louisiana state court. Plaintiff alleges that patent applications and patent litigation filed and other alleged conduct from the early 2000's and before related to the drug TriCor violated Louisiana State antitrust and unfair trade practices laws. The lawsuit seeks monetary damages and attorneys' fees. In August 2015, the court dismissed the case as time-barred. In December 2016, the appellate court for the state's appeal remanded for the trial court to determine whether the state is a proper party in interest.

In August 2013, a putative class action lawsuit, *Sidney Hillman Health Center of Rochester, et al. v. AbbVie Inc., et al.*, was filed against AbbVie in the United States District Court for the Northern District of Illinois by three healthcare benefit providers alleging violations of Federal Racketeer Influenced and Corrupt Organizations (RICO) statutes and state deceptive business practice and unjust enrichment laws in connection with reimbursements for certain uses of Depakote from 1998 to 2012. Plaintiffs seek monetary damages and/or equitable relief and attorneys' fees. In February 2017, the court dismissed this lawsuit with prejudice and in March 2017, the plaintiffs appealed that dismissal with the United States Court of Appeals for the Seventh Circuit.

In November 2014, a putative class action lawsuit, *Medical Mutual of Ohio v. AbbVie Inc., et al.*, was filed against several manufacturers of testosterone replacement therapies (TRTs), including AbbVie, in the United States District Court for the Northern District of Illinois on behalf of all insurance companies, health benefit providers, and other third party payors who paid for TRTs, including AndroGel. The claims asserted include violations of the federal RICO Act and state consumer fraud and deceptive trade practices laws. The complaint seeks monetary damages and injunctive relief. A similar lawsuit, *Allied Services Division Welfare Fund v. AbbVie Inc., et al.*, was filed in the same court in October 2015 on behalf of the same putative class members and a putative class of consumers.

Product liability cases are pending 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 4,150 claims 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 230 claims are pending in various state courts. Plaintiffs seek compensatory and punitive damages.

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. Over ninety percent of the approximately 695 claims are pending in the United States District Court for the Southern District of Illinois, and the rest are pending in various other federal and state courts. Plaintiffs seek compensatory and punitive damages.

In November 2014, five individuals filed a putative class action lawsuit on behalf of purchasers and sellers of certain Shire plc (Shire) securities between June 20 and October 14, 2014, against AbbVie and its chief executive officer in the United States District Court for the Northern District of Illinois alleging that the defendants made and/or are responsible for material misstatements in violation of federal securities laws in connection with AbbVie's proposed transaction with Shire.

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. Plaintiffs seek compensatory and punitive damages.

Beginning in May 2016, the Patent Trial & Appeal Board of the U.S. Patent & Trademark Office (PTO) instituted five inter partes review proceedings brought by Coherus Biosciences and Boehringer Ingelheim related to three AbbVie patents covering methods of treatment of rheumatoid arthritis using adalimumab. In these proceedings, the PTO will review the validity of the patents.

AbbVie is seeking to enforce certain patent rights related to adalimumab (a drug AbbVie sells under the trademark HUMIRA®). In a case filed in United States District Court for the District of Delaware in August 2016, AbbVie alleges that Amgen Inc.'s and Amgen

Manufacturing, Limited's proposed biosimilar adalimumab product infringes certain AbbVie patents. AbbVie seeks declaratory and injunctive relief.

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 eleven HCV-related patents licensed to AbbVie in 2002 are invalid.

Note 13 Segment Information

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

	Three months ended March 31,	
(in millions)	**2017**	**2016**
HUMIRA	$ 4,118	$ 3,577
IMBRUVICA	551	381
VIEKIRA	263	414
Lupron	194	190
Creon	185	150
Synagis	300	319
Synthroid	192	182
AndroGel	136	156
Kaletra	115	133
Sevoflurane	107	111
Duodopa	80	68
All other	297	277
Total net revenues	$ 6,538	$ 5,958

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

The following is a discussion and analysis of the financial condition of AbbVie Inc. (AbbVie or the company) as of March 31, 2017 and December 31, 2016 and the results of operations for the three months ended March 31, 2017 and 2016. 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 formed in 2013 following separation from Abbott Laboratories (Abbott). AbbVie's mission is to use 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 (HCV) and human immunodeficiency virus (HIV); neurological disorders, such as Parkinson's disease and multiple sclerosis; metabolic diseases, including thyroid disease and complications associated with cystic fibrosis; as well as other serious health conditions. AbbVie also has a pipeline of promising new medicines across such important medical specialties as immunology, virology, oncology and neurology, 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, sales are made either directly to customers or through distributors, depending on the market served. Certain products are co-marketed or co-promoted with other companies. AbbVie has approximately 29,000 employees. AbbVie operates in one business segment—pharmaceutical products.

2017 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 through continued strong performance from its existing portfolio of on-market products, including its flagship brands, HUMIRA and IMBRUVICA as well as growth from pipeline products; (ii) expanding operating margins; (iii) continued investment in its pipeline in support of opportunities in immunology, oncology, virology and neurology as well as continued investment in key on-market products; (iv) augmentation of its pipeline through concerted focus on strategic licensing, acquisition and partnering activity with a focus on identifying compelling programs that fit AbbVie's strategic criteria; and (v) returning cash to shareholders via dividends and share repurchases. In addition, AbbVie anticipates several regulatory submissions and key data readouts from key clinical trials in the next twelve months.

Financial Results

The company's financial performance for the three months ended March 31, 2017 included delivering worldwide net revenues of $6.5 billion, operating earnings of $2.4 billion, and diluted earnings per share of $1.06. Worldwide net revenues grew by 10% on a constant currency basis, driven primarily by the continued strength of HUMIRA, revenue growth related to IMBRUVICA, and revenue growth from other key products including Creon and Duodopa. These increases were partially offset primarily by a decline in net revenues of VIEKIRA.

Diluted earnings per share was $1.06 for the three months ended March 31, 2017 and included the following after-tax costs: (i) $203 million related to the amortization of intangible assets; (ii) $84 million for the change in fair value of contingent consideration liabilities; (iii) milestone payments of $28 million; and (iv) acquisition related costs of $25 million. Additionally, financial results for the three months ended March 31, 2017 reflected continued added funding to support AbbVie's emerging mid- and late-stage pipeline assets and continued investment in AbbVie's growth brands.

The company generated cash flows from operations of $2.1 billion for the three months ended March 31, 2017, which AbbVie utilized to continue to enhance its pipeline through licensing and collaboration activities, pay cash dividends to stockholders of $1.0

billion and repurchase approximately 7.8 million shares for $500 million in the open market. In February 2017, AbbVie's board of directors declared a quarterly cash dividend of $0.64 per share of common stock payable in May 2017.

In addition to these financial results, AbbVie continued to advance and augment its pipeline as further described below under the heading "Research and Development."

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 more than 50 compounds or indications in clinical development individually or under collaboration or license agreements and is focused on such important medical specialties as immunology, oncology, virology and neurology along with targeted investments in cystic fibrosis and women's health. Of these programs, more than 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 twelve months.

Significant Programs and Developments

Oncology

IMBRUVICA

- In January 2017, AbbVie announced that the FDA approved IMBRUVICA for the treatment of patients with relapsed/refractory marginal zone lymphoma (MZL) who require systemic therapy and have received at least one prior anti-CD20-based therapy. This indication is approved under accelerated approval based on overall response rate (ORR) and continued approval may be contingent upon verification and description of clinical benefit in a confirmatory trial. MZL is a slow-growing form of non-Hodgkin's lymphoma. This marks the seventh FDA approval and fifth disease indication for IMBRUVICA since the medication's initial approval in 2013.

- In April 2017, AbbVie announced that the FDA accepted a supplemental New Drug Application (sNDA) for IMBRUVICA in chronic graft-versus-host-disease (cGVHD) after failure of one or more lines of systemic therapy. cGVHD is a severe, potentially life-threatening consequence of stem cell or bone marrow transplant. If approved by the FDA, IMBRUVICA will be the first therapy specifically approved to treat this condition.

Venetoclax

- AbbVie recently initiated a Phase 3 clinical trial to study the safety and efficacy of venetoclax in combination with azacitidine in untreated (treatment-naïve) elderly subjects with acute myeloid leukemia who are ineligible for standard induction therapy (high-dose chemotherapy).

Rova-T

- AbbVie recently initiated a Phase 3 clinical trial to evaluate the efficacy of Rova-T as maintenance therapy following first-line platinum based chemotherapy in participants with extensive stage small cell lung cancer.

Veliparib

- In April 2017, AbbVie announced that two Phase 3 studies evaluating veliparib, an investigational, oral poly (adenosine diphosphate-ribose) polymerase (PARP) inhibitor in combination with chemotherapy did not meet their primary endpoints. The studies evaluated veliparib in combination with carboplatin and paclitaxel in patients with squamous non-small cell lung cancer (NSCLC) and triple negative breast cancer (TNBC). Ongoing Phase 3 studies include non-squamous non-small cell lung cancer, BRCA1/2 breast cancer and ovarian cancer.

Virology/Liver Disease

- In January 2017, AbbVie announced that its marketing authorization application (MAA) has been validated and is now under accelerated assessment by the European Medicines Agency (EMA) for the company's investigational, pan-genotypic regimen of glecaprevir/pibrentasvir (G/P) for the treatment of all major chronic HCV genotypes. G/P is also intended to address the needs of patients with specific treatment challenges, including those with severe chronic kidney disease (CKD) and those not cured with previous direct-acting antiviral (DAA) treatment. In February 2017, AbbVie announced that the FDA accepted its New Drug Application (NDA) and granted priority review for the company's investigational, pan-genotypic regimen of G/P for the treatment of all major chronic HCV genotypes.

- In February 2017, AbbVie announced that the Committee for Medicinal Products for Human Use (CHMP) granted a positive opinion for a shorter, eight-week treatment of VIEKIRAX (ombitasvir/paritaprevir/ritonavir tablets) + EXVIERA (dasabuvir tablets) as an option for previously untreated adult patients with genotype 1b chronic HCV and minimal to moderate fibrosis.

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, 2016.

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 the 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.

	Three months ended March 31,		Percent change	
(dollars in millions)	**2017**	**2016**	**At actual currency rates**	**At constant currency rates**
United States	$ 4,052	$ 3,494	15.9%	15.9%
International	2,486	2,464	0.9%	1.8%
Net revenues	$ 6,538	$ 5,958	9.7%	10.1%

The following table details AbbVie's worldwide net revenues:

(dollars in millions)	Three months ended March 31, 2017		Three months ended March 31, 2016		Percent change At actual currency rates	Percent change At constant currency rates
HUMIRA						
United States	$	2,696	$	2,195	22.8 %	22.8 %
International		1,422		1,382	2.9 %	4.6 %
Total	$	4,118	$	3,577	15.1 %	15.8 %
IMBRUVICA						
United States	$	457	$	325	40.7 %	40.7 %
Collaboration revenues		94		56	68.0 %	68.0 %
Total	$	551	$	381	44.7 %	44.7 %
VIEKIRA						
United States	$	38	$	125	(69.6)%	(69.6)%
International		225		289	(21.9)%	(20.8)%
Total	$	263	$	414	(36.3)%	(35.5)%
Lupron						
United States	$	155	$	151	1.9 %	1.9 %
International		39		39	1.2 %	(0.2)%
Total	$	194	$	190	1.7 %	1.4 %
Creon						
United States	$	185	$	150	22.8 %	22.8 %
Synagis						
International	$	300	$	319	(5.9)%	(8.2)%
Synthroid						
United States	$	192	$	182	5.7 %	5.7 %
AndroGel						
United States	$	136	$	156	(12.8)%	(12.8)%
Kaletra						
United States	$	19	$	33	(41.8)%	(41.8)%
International		96		100	(4.4)%	(6.4)%
Total	$	115	$	133	(13.6)%	(15.1)%
Sevoflurane						
United States	$	18	$	17	0.7 %	0.7 %
International		89		94	(4.9)%	(3.0)%
Total	$	107	$	111	(4.0)%	(2.4)%
Duodopa						
United States	$	14	$	7	84.6 %	84.6 %
International		66		61	8.9 %	12.0 %
Total	$	80	$	68	17.0 %	19.8 %
All other	$	297	$	277	7.7 %	8.5 %
Total net revenues	$	6,538	$	5,958	9.7 %	10.1 %

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

Global HUMIRA sales increased 16% for the three months ended March 31, 2017, primarily as a result of market growth across therapeutic categories and geographies and favorable pricing in certain geographies. In the United States, HUMIRA sales increased 23% for the three months ended March 31, 2017, driven by prescription volume, favorable pricing and market growth across all indications. Internationally, HUMIRA sales increased 5% for the three months ended March 31, 2017, driven primarily by market growth. AbbVie continues to pursue strategies to help further differentiate HUMIRA from competing products and add to the sustainability and future growth of HUMIRA.

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. Global IMBRUVICA sales increased 45% for the three months ended March 31, 2017, as a result of continued penetration of IMBRUVICA as a first-line treatment for patients with chronic lymphocytic leukemia (CLL) as well as favorable pricing.

Global VIEKIRA sales decreased 36% for the three months ended March 31, 2017 as a result of lower market share, primarily in the United States, market contraction and price erosion. In the United States, sales decreased 70% for the three months ended March 31, 2017, primarily due to the contraction of the overall market and lower market share. International revenues decreased 21% for the three months ended March 31, 2017, primarily due to market declines and price erosion in certain geographies.

Net revenues for Creon increased 23% for the three months ended March 31, 2017, driven primarily by continued market growth and higher market share. Creon maintains market leadership in the pancreatic enzyme market.

Synagis is a seasonal product with the majority of sales occurring in the first and fourth quarters. Synagis revenues for the three months ended March 31, 2017 decreased 8% primarily due to lower volume in certain geographies.

Net revenues for Duodopa increased 20% for the three months ended March 31, 2017, primarily as a result of market penetration and geographic expansion. Duopa was approved in the United States in January 2015. AbbVie expects net revenues for Duopa in the United States will continue to gradually increase as the product gains acceptance in the marketplace.

Gross Margin

	Three months ended March 31,		
(dollars in millions)	**2017**	**2016**	**% change**
Gross margin	$ 4,922	$ 4,589	7%
as a % of net revenues	75%	77%	

Gross margin as a percentage of net revenues decreased for the three months ended March 31, 2017 compared to the prior year period primarily due to the impact of higher intangible asset amortization, the impact of the IMBRUVICA profit sharing arrangement and unfavorable foreign exchange rates. These reductions were partially offset by the favorable impact of product mix across the portfolio.

Selling, General and Administrative

	Three months ended March 31,		
(dollars in millions)	**2017**	**2016**	**% change**
Selling, general and administrative	$ 1,368	$ 1,355	1%
as a % of net revenues	21%	23%	

SG&A expenses as a percentage of net revenues decreased for the three months ended March 31, 2017 compared to the prior year period due to continued leverage from revenue growth.

Research and Development and Acquired In-Process Research and Development

	Three months ended March 31,		
(dollars in millions)	2017	2016	% change
Research and development	$ 1,135	$ 946	20 %
as a % of net revenues	17%	16%	
Acquired in-process research and development	$ —	$ 10	(100)%

Research and Development (R&D) expenses for the three months ended March 31, 2017 increased compared to the prior year period principally due to increased funding to support the company's emerging mid- and late-stage pipeline assets and the impact of the post-acquisition R&D expenses of Stemcentrx and BI compounds.

Other Non-Operating Expenses

	Three months ended March 31,	
(in millions)	2017	2016
Interest expense	$ 273	$ 215
Interest income	(26)	(15)
Interest expense, net	$ 247	$ 200
Net foreign exchange loss	$ 13	$ 302
Other expense, net	73	—

Interest expense, net for the three months ended March 31, 2017 increased from the prior year due to the May 2016 issuance of $7.8 billion aggregate principal amount of senior notes, which were issued primarily to finance the acquisition of Stemcentrx and to repay an outstanding term loan.

Net foreign exchange loss for the three months ended March 31, 2016 included losses totaling $298 million related to the devaluation of AbbVie's net monetary assets denominated in the Venezuelan bolivar. See Note 8 to the Condensed Consolidated Financial Statements for additional information regarding the Venezuelan devaluation.

Other expense, net for the three months ended March 31, 2017 included a charge of $85 million related to the change in fair value of the BI and Stemcentrx contingent consideration liabilities. 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 and other market-based factors. For the three months ended March 31, 2017, the change in fair value represented mainly the passage of time. See Note 4 to the Condensed Consolidated Financial Statements for additional information regarding the acquisitions of Stemcentrx and BI compounds.

Income Tax Expense

The effective tax rate was 18% for the three months ended March 31, 2017 and 24% for the three months ended March 31, 2016. The effective tax rate in each period differed from the statutory tax rate principally due to the benefit from foreign operations which reflects the impact of lower income tax rates in locations outside the United States, tax exemptions and incentives in Puerto Rico and other foreign tax jurisdictions and business development activities together with the cost of repatriation decisions. The decrease in the effective tax rate for the three months ended March 31, 2017 over the prior year was principally due to changes in the jurisdictional mix of earnings, as well as certain discrete factors and events, including collaborations, the impact of the prior year non-deductible devaluation loss related to Venezuela and the impact of the adoption of ASU No. 2016-09, which changed the accounting treatment for excess tax benefits associated with stock-based awards. See Note 1 to the Condensed Consolidated Financial Statements for additional information related to the adoption of this accounting pronouncement.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

	Three months ended March 31,	
(in millions)	2017	2016
Cash flows provided by/(used in):		
Operating activities	$ 2,102	$ 2,128
Investing activities	(684)	(1,458)
Financing activities	(1,794)	(1,219)

Operating cash flows for the three months ended March 31, 2017 reflected improved results of operations resulting from revenue growth and an improvement in operating earnings offset primarily by timing of payments related to accounts payable and other liabilities. Cash provided by operating activities reflected AbbVie’s voluntary contributions to its principal domestic defined benefit plan of $150 million for the three months ended March 31, 2017 and 2016. Realized excess tax benefits associated with stock-based compensation totaled $26 million for the three months ended March 31, 2017 and were presented within cash flows from operating activities as a result of the adoption of a new accounting pronouncement. In the three months ended March 31, 2016, prior to the adoption of the new accounting pronouncement, realized excess tax benefits of $27 million were presented within cash flows from financing activities. See Note 1 to the Condensed Consolidated Financial Statements for additional information regarding the adoption of this new accounting pronouncement.

Investing cash flows for the three months ended March 31, 2017 primarily included net purchases of investment securities totaling $526 million. For the three months ended March 31, 2016, investing activities primarily included net purchases of investment securities totaling $1.3 billion. Cash flows from investing activities for the three months ended March 31, 2017 and 2016 also reflected capital expenditures.

Financing cash flows included cash dividend payments of $1.0 billion for the three months ended March 31, 2017 and $924 million for the three months ended March 31, 2016. The increase in cash dividend payments was primarily due to an increase in the dividend rate. On October 28, 2016, AbbVie announced that its board of directors declared an increase in the company's quarterly cash dividend from $0.57 per share to $0.64 per share beginning with the dividend that was paid on February 15, 2017 to stockholders of record as of January 13, 2017. This reflects an increase of approximately 12% over the previous quarterly rate. The timing, declaration, amount of and payment of any dividends 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.

On February 16, 2017, AbbVie's board of directors authorized a $5.0 billion increase to AbbVie's existing stock repurchase program. Under this program, the company repurchased approximately 7.8 million shares for $500 million in the open market in three months ended March 31, 2017. Additionally, during the three months ended March 31, 2017, AbbVie cash-settled $285 million of its open market purchases made at the end of 2016. The stock repurchase authorization permits purchases of AbbVie shares from time to time in open-market or private transactions at management's direction depending on the company's cash flows, net debt level and market conditions. The program has no time limit and can be discontinued at any time.

During the three months ended March 31, 2017 and 2016, the company issued and redeemed commercial paper. The balance of commercial paper outstanding was $400 million as of March 31, 2017 and $377 million as of December 31, 2016. AbbVie may issue additional commercial paper or retire commercial paper to meet liquidity requirements as needed.

Cash and equivalents were impacted by net favorable exchange rate changes totaling $16 million for the three months ended March 31, 2017 and net unfavorable exchange rate changes totaling $294 million for the three months ended March 31, 2016. The unfavorable exchange rate changes in 2016 were primarily due to the devaluation of AbbVie’s net monetary assets denominated in the Venezuelan bolivar. While a significant portion of cash and equivalents as of March 31, 2017 were considered reinvested indefinitely in foreign subsidiaries, AbbVie does not expect such reinvestment to affect its liquidity and capital resources. If these funds were needed for operations in the United States, AbbVie would be required to accrue and pay U.S. income taxes to repatriate these funds. AbbVie believes that it has sufficient sources of liquidity to support its assumption that the amount of undistributed earnings as of March 31, 2017 has been reinvested indefinitely.

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 against accounts receivable when it is probable they will not be collected. AbbVie also monitors the potential for and periodically has utilized 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, including Greece, Portugal, Italy and Spain, which have historically experienced challenges in credit and economic conditions. Substantially all of AbbVie’s trade receivables in Greece, Portugal, Italy and Spain are with government health systems. Outstanding net governmental receivables in these countries totaled $244 million at March 31, 2017 and December 31, 2016. The company also continues to do business with foreign governments in certain oil-exporting countries which have recently experienced a deterioration in economic conditions, including Saudi Arabia and Russia. Outstanding net governmental receivables related to Saudi Arabia were $125 million as of March 31, 2017 and $122 million as of December 31, 2016. Outstanding net governmental receivables related to Russia were $110 million as of March 31, 2017 and December 31, 2016. Due to oil market conditions in recent years, liquidity issues in certain countries may result in delays in the collection of receivables. Global economic conditions and customer-specific factors may require the company to periodically re-evaluate the collectability of its receivables and the company could potentially incur credit losses.

Currently, AbbVie does not believe the economic conditions in oil-exporting 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 outstanding as of March 31, 2017.

Credit Facility, Access to Capital and Credit Ratings

Credit Facility

AbbVie currently has a $3.0 billion five-year revolving credit facility, which matures in October 2019. The revolving credit facility enables the company to borrow funds on an unsecured basis at variable interest rates and contains various covenants. At March 31, 2017, the company was in compliance with all its credit facility covenants. Commitment fees under the credit facility were insignificant. There were no amounts outstanding under the credit facility as of March 31, 2017 and December 31, 2016.

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

There were no changes in the company’s credit ratings in the three months ended March 31, 2017. 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 entitled “Summary of Significant Accounting Policies” to the company’s Annual Report on Form 10-K for the year ended December 31, 2016. There have been no significant changes in the company’s application of its critical accounting policies during the three months ended March 31, 2017.

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, 2016, 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

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, 2016.

ITEM 4. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures. The Chief Executive Officer, Richard A. Gonzalez, and the Chief Financial Officer, William J. Chase, 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, 2017.

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 error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls.

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

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

(c) *Issuer Purchases of Equity Securities*

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
January 1, 2017 – January 31, 2017	68,472 (1)	$43.96 (1)	—	$36,288,894
February 1, 2017 – February 28, 2017	53,260 (1)	$42.30 (1)	—	$5,036,288,894 (2)
March 1, 2017 – March 31, 2017	7,798,075 (1)	$64.17 (1)	7,789,297	$4,536,288,945
Total	7,919,807 (1)	$63.85 (1)	7,789,297	$4,536,288,945 (2)

1. In addition to AbbVie shares repurchased on the open market under a publicly announced program, if any, these shares included the shares deemed surrendered to AbbVie to pay the exercise price in connection with the exercise of employee stock options – 68,472 in January; 53,260 in February; and 8,778 in March, with average exercise prices of $43.96 in January; $42.30 in February; and $46.11 in March.

   These shares do not include the shares surrendered to AbbVie to satisfy minimum tax withholding obligations in connection with the vesting of restricted stock or restricted stock units.

2. On February 16, 2017, AbbVie's board of directors authorized a $5.0 billion increase to AbbVie's existing stock repurchase program. The stock repurchase authorization permits purchases of AbbVie shares from time to time in open-market or private transactions at management's direction depending on the company's cash flows, net debt level and market conditions. The program has no time limit and can be discontinued at any time.

ITEM 6. EXHIBITS

Incorporated by reference to the Exhibit Index included herewith.

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/ William J. Chase

William J. Chase
Executive Vice President,
Chief Financial Officer

Date: May 5, 2017

EXHIBIT INDEX

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

Exhibit No.	Exhibit Description
10.1	Form of AbbVie Inc. Non-Employee Director Restricted Stock Unit Agreement.*
10.2	Form of AbbVie Inc. Non-Qualified Stock Option Agreement.*
10.3	Form of AbbVie Inc. Performance Share Award Agreement.*
10.4	Form of AbbVie Inc. Performance-Vested Restricted Stock Unit Agreement.*
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, 2017, filed on May 5, 2017, formatted in XBRL: (i) Condensed Consolidated Statements of Earnings; (ii) Condensed Consolidated Statements of Comprehensive Income; (iii) Condensed Consolidated Balance Sheets; (iv) Condensed Consolidated Statements of Cash Flows; and (v) the Notes to Condensed Consolidated Financial Statements.

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

ABBVIE INC.
NON-EMPLOYEE DIRECTOR RESTRICTED STOCK UNIT AGREEMENT

On this **«Grant_Day»** day of **«Grant_Month», 201__** (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 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 Date" 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. 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 date the Director has forfeited the Units, or 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 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.

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, clarified, or interpreted by the parties, except in a writing specifying the modification, change, clarification, or interpretation, and 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 to 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 to 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**. 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.

* * *

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer as of the grant date above set forth.

ABBVIE INC.

By ______________

Title ______________

ABBVIE INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

On this **«Grant_Day»** day of **«Grant_Month», 201__** (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 Program shall control.

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

1. **Definitions**. To the extent not defined herein, capitalized terms shall have the same meaning as in the Program.

(a) *Agreement:* This Non-Qualified Stock Option Agreement.

(b) *Cause*: Unless otherwise defined in the Employee's Change in Control Agreement, cause shall mean the following, as determined by the Company in its sole discretion:

(i) material breach by the Employee of the terms and conditions of the Employee's employment, including, but not limited to:

(A) material breach by the Employee of the Code of Business Conduct;

(B) material breach by the Employee of the Employee's Employee Agreement;

(C) commission by the Employee of an act of fraud, embezzlement or theft in connection with the Employee's duties or in the course of the Employee's employment;

(D) wrongful disclosure by the Employee of secret processes or confidential information of the Company or any of its Subsidiaries; or

(E) failure by the Employee to substantially perform the duties of the Employee's employment (other than any such failure resulting from the Employee's Disability); or

(ii) to the extent permitted by applicable law, engagement by the Employee, directly or indirectly, for the benefit of the Employee or others, in any activity, employment or business which is competitive with the Company or any of its Subsidiaries.

(c) *Change in Control Agreement:* An agreement regarding Change in Control in effect between the Company (or the Surviving Entity) and the Employee.

(d) *Code of Business Conduct:* The Company's Code of Business Conduct, as amended from time to time.

(e) *Controlled Group:* AbbVie 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.

(f) *Data:* Certain personal information about the Employee held by the Company and the Subsidiary that employs the Employee (if applicable), including (but not limited to) the Employee's name, home address and telephone number, email address, date of birth, social security, passport or other identification number, salary, nationality, job title, any Shares held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Employee's favor, for the purpose of managing and administering the Program.

(g) *Disability:* Sickness or accidental bodily injury, directly and independently of all other causes, that disables the Employee so that the Employee is completely prevented from performing all the duties of his or her occupation or employment.

(h) *Employee Agreement:* The Employee Agreement entered into by and between the Company 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) *Option:* The Non-Qualified Stock Option granted pursuant to this Agreement.

(l) *Program:* The AbbVie 2013 Incentive Stock Program.

(m) *Retirement:*

(i) Except as provided under (ii) or (iii) below, Retirement means either of the following:

◦ age 55 with 10 years of service; or

◦ age 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.

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

2. **Term of Option**. Subject to Sections 5 and 7, the Employee may exercise all or a portion of the vested Option at any time prior to the 10th anniversary of the Grant Date (the "*Expiration Date*"); provided that the Option may be exercised with respect to whole Shares only. In no event shall the Option be exercisable on or after the Expiration Date. To the extent the Option is not exercised prior to the Expiration Date (or any earlier expiration of the Option pursuant to Sections 5 and 7), it shall be canceled and forfeited.

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

(a) on the first anniversary of the Grant Date, one-third of the total number of Shares may be purchased;

(b) on the second anniversary of the Grant Date, two-thirds of the total number of Shares may be purchased; and

(c) on the third anniversary of the Grant Date, the Option may be exercised in full.

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

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

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

(i) **General Rule - Exercise by Employee Only**. During the lifetime of the Employee, the Option may be exercised only by the Employee or the Employee's Representative.

(ii) **Death Exception**. If the Employee dies, then the Option may be exercised only by the executor or administrator of the estate of the Employee or the person or persons to whom rights under the Option have passed by will or the laws of descent or distribution. Such person(s) shall furnish the appropriate tax clearances, proof of the right of such person(s) to exercise the Option, and other pertinent data as the Company may deem necessary.

(iii) **Transferability**. Except as otherwise provided by the Committee or its delegate, the Option is not transferable other than by will or the laws of descent and distribution. It may not be assigned, transferred (except by will or the laws of descent and distribution), pledged or hypothecated in any way, whether by operation of law or otherwise, and shall not be subject to execution, attachment, or similar process. Any attempt at assignment, transfer, pledge, hypothecation, or other disposition of the Option contrary to the provisions hereof, and the levy of any attachment or similar process upon such Option, shall be null and void.

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

(i) delivery to the designated employee or agent of the Company of a written, electronic, or telephonic notice of exercise, specifying the number of Shares with respect to which the Option is then being exercised, and payment of the full Exercise Price of the Shares being purchased in cash or with other Shares held by the Employee having a then Fair Market Value equal to the Exercise Price;

(ii) delivery of a properly-executed exercise notice together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds to pay the Exercise Price;

(iii) a combination of (i) and (ii) above; or

(iv) any other manner approved by the Committee from time to time.

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

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

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

(i) tendering a cash payment;

(ii) having the Company withhold Shares from the Option exercised to satisfy the applicable withholding tax;

(iii) tendering Shares received in connection with the Option back to the Company; or

(iv) delivering other previously acquired Shares having a Fair Market Value approximately equal to the amount to be withheld.

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

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

5. **Effect of Termination or Death on the Option**. By accepting this Option grant, the Employee acknowledges that, except as otherwise provided in this Agreement, in the event of Termination (whether or not in breach of local labor laws), the Employee’s right to vest in the Option under the Program, if any, will cease and will not be extended by any notice period mandated under local law (*e.g.*, active employment does not include a period of “garden leave” or similar period pursuant to local law) and that the Company shall have the exclusive discretion to determine Termination occurs.

(a) **Termination due to Retirement**. Subject to 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.

(b) **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.

(c) **Termination due to Death of the Employee**. In the event of the death of the Employee during employment, the Option will continue to vest pursuant to Section 3, and the last date on which the Option may be exercised is the day prior to the Expiration Date.

(d) **Termination for Reason Other than under Subsection 5(a), (b) or (c) or Section 6**.

(i) **Options Granted Within Nine Months of Termination**. Any Option granted less than nine months prior to a Termination for any reason other than those set forth in subsections 5(a), (b) or (c) or Section 6 shall be cancelled and forfeited immediately upon such Termination.

(ii) **Options Granted Nine Months or More Prior to Termination**. Subject to 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:

(a) commits a material breach of the terms and conditions of the Employee's employment, including, but not limited to:

(i) material breach by the Employee of the Code of Business Conduct;

(ii) material breach by the Employee of the Employee's Employee Agreement or employment contract, if any;

(iii) commission by the Employee of an act of fraud, embezzlement or theft in connection with the Employee's duties or in the course of the Employee's employment;

(iv) wrongful disclosure by the Employee of secret processes or confidential information of the Company or any of its Subsidiaries; or

(v) failure by the Employee to substantially perform the duties of the Employee's employment (other than any such failure resulting from the Employee's Disability); or

(b) to the extent permitted by applicable law, engagement by the Employee, directly or indirectly, for the benefit of the Employee or others, in any activity, employment or business which is competitive with the Company or any of its Subsidiaries.

8. **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.

9. **Nature of Grant**. In accepting this Option grant, the Employee acknowledges 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 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 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**.

(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.

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. 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’s country of residence may have insider trading and/or market abuse laws that may affect the Employee’s ability to acquire or sell Shares under the Program during such times the Employee is considered to have “inside information” (as defined under the laws in the Employee’s country). These laws may be the same or different from any Company insider trading policy. The Employee acknowledges that it is the Employee’s responsibility to be informed of and compliant with such regulations, and the Employee is advised to speak to the Employee’s personal 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 the 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. Moreover, if the Employee relocates to one of the countries included in the Addendum, the special terms and conditions for such country 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, clarified, or interpreted by the parties, except in a writing specifying the modification, change, clarification, or interpretation, and 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**. 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**. 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.

* * *

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer as of the grant date above set forth.

ABBVIE INC.

By _______________

Title _______________

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 identified in this Addendum, the additional terms and conditions for such country will apply. If the Employee relocates to one of the countries identified in this Addendum, the special terms and conditions for such country 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 and 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.

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 UBS website at www.ubs.com/onesource/abbv. 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 Plan 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.

CHILE

Private Placement. The following 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 Superintendence of Securities and Insurance;

b) The offer deals with securities not registered in the registry of securities or in the registry of foreign securities of the Chilean Superintendence of Securities and Insurance, 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 Superintendence of Securities and Insurance; 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 Superintendencia de Valores y Seguros Chilena;

b) La oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la Superintendencia de Valores y Seguros 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

Treatment of Option upon Termination. Notwithstanding any provisions in the Agreement to the contrary, if the Employee is determined to be an “Employee,” as defined in section 2 of the Danish Act on the Use of Rights to Purchase or Subscribe for Shares etc. in Employment Relationships (the “Stock Option Act”), the treatment of the Option upon Termination shall be governed by Sections 4 and 5 of the Stock Option Act. However, if the provisions in the Agreement or the Program governing the treatment of the Option upon a Termination are more favorable, the provisions of the Agreement or the Program will govern. The Employee acknowledges having received an “Employer Information Statement” in Danish.

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 to 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 Plan, 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): http://investors.abbvie.com/phoenix.zhtml?c=251551&p=irol-sec.

2. AbbVie Inc.'s most recent published financial statements (Form 10-Q or 10-K) and the auditor's report on those financial statements: http://investors.abbvie.com/phoenix.zhtml?c=251551&p=irol-sec.

3. The AbbVie 2013 Incentive Stock Program: This document can be accessed in the library section of the UBS website at www.ubs.com/onesource/abbv.

4. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the UBS website at www.ubs.com/onesource/abbv.

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 şi orice alte documente, notificări, înştiinţări 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.

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 the 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. Withholding Taxes. The following provision supplements Section 4(c) of the Agreement:

By accepting the Option, the Employee agrees to notify the Company's local affiliate in South Africa that employs the Employee (the "Employer") of the amount of any gain realized upon exercise of the Option. If the Employee fails to advise the Employer of the gain realized upon exercise of the Option, the Employee may be liable for a fine. The Employee will be responsible for paying any difference between the actual tax liability and the amount withheld.

2. 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.

3. 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): http://investors.abbvie.com/phoenix.zhtml?c=251551&p=irol-sec.

b. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the UBS website at www.ubs.com/onesource/abbv.

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.

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 Employer 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 Employer against any Tax-Related Items that they are required to pay or withhold on the Employee’s behalf or have paid or will pay to HMRC (or any other tax authority or any other relevant authority).

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.
PERFORMANCE SHARE AWARD AGREEMENT

On this **«Grant_Day»** day of **«Grant_Month», 2017** (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 Program shall control. This Award is intended to conform with the qualified performance-based compensation requirements of Code Section 162(m) and the regulations thereunder, to the extent applicable, and shall be construed accordingly.

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 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.

(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 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. 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**. If the Company's 2017 return on equity (as defined and approved by the Committee) is a minimum of 18 percent, 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. If the Company's 2017 return on equity is less than 18 percent, no Units will vest and no Shares will become issuable under the Award. 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 and has not experienced a Termination that triggers forfeiture as of the applicable vesting date specified below:

(i) up to one third of the total number of Units may be earned on **«VESTING DATE 1»**, as determined in accordance with the Schedule; and

(ii) up to an additional two thirds of the total number of Units may be earned on **«VESTING DATE 2»**, as determined in accordance with the Schedule.

(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 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, 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 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.** 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 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, 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 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 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 as follows:

(i) For any Performance Period that has begun but has not been completed as of the Applicable Vesting 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 or on 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 or on 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 Vesting 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 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 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 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.

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. 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's country of residence may have insider trading and/or market abuse laws that may affect the Employee's ability to acquire or sell Shares under the Program during such times the Employee is considered to have "inside information" (as defined under the laws in the Employee's country). These laws may be the same or different from any Company insider trading policy. The Employee acknowledges that it is the Employee's responsibility to be informed of and compliant with such regulations, and the Employee is advised to speak to the Employee's personal advisor on this matter.

16. **Code Section 409A**. Payments made pursuant to this Agreement are intended to be exempt from or otherwise to 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 to 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. Moreover, if the Employee relocates to one of the countries included in the Addendum, the special terms and conditions for such country 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, clarified, or interpreted by the parties, except in a writing specifying the modification, change, clarification, or interpretation, and 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**. 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**. 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.

* * *

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer as of the grant date above set forth.

ABBVIE INC.

By ______________

Title ______________

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 two tranches as summarized below. Tranche 1 vesting is based on the Company's adjusted earnings per share ("EPS") performance for the designated Performance Period and Tranche 2 vesting is based on the Company's EPS performance for 2017 and relative total shareholder return ("TSR") for the designated Performance Period, as described in the Agreement and the Performance Vesting Requirements section below. The vesting tranches and corresponding Performance Periods are as follows:

Vesting Tranche	Units Subject to Vesting	Performance Period
Tranche 1	1/3 of Units	January 1-December 31, 2017
Tranche 2	2/3 of Units	January 1, 2017-December 31, 2019

Performance Vesting Requirements
Tranche 1

The vesting for Tranche 1 will be determined based on the Company's EPS performance for 2017. Within sixty-five (65) days after the end of the designated Performance Period, the Committee will determine the Company's EPS for the Performance Period. For purposes of determining Performance Period EPS results, EPS means non-GAAP EPS disclosed in the Company's annual earnings release for the year ended December 31, 2017.

The Company's EPS performance for the Performance Period determines the vesting percentage for the Units covered by Tranche 1, such that:

a. EPS of $5.64 results in vesting at 200%;
b. EPS of $5.49 results in vesting at 100%;
c. EPS of $5.44 results in vesting at 50%; and
d. EPS below $5.44 results in vesting at 0%.

The adjustment factors for EPS performance between $5.44 and $5.49 and between $5.49 and $5.64 will be interpolated based on the parameters listed above.

The vesting percentage derived from the EPS performance determination will be multiplied by the number of Units covered by Tranche 1, yielding the number of Shares deliverable under Section 4 of the

Agreement as a result of the application of the Performance Vesting Requirements for the Tranche 1 Performance Period.

Tranche 2

The vesting for Tranche 2 will be determined based on the Company's EPS performance for 2017 and the Company's TSR for 2017-2019 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, 2017 and on the last day of the Performance Period (the "Index Companies"). Within sixty-five (65) days after the end of the designated Performance Period, the Committee will determine performance against the Tranche 2 Performance Vesting Requirements in two steps:

1. **2017 EPS**: The Committee will determine the Company's 2017 EPS. For purposes of determining 2017 EPS results, EPS means non-GAAP EPS disclosed in the Company's annual earnings release for the year ended December 31, 2017.

   The Company's 2017 EPS performance determines the initial adjustment percentage for the Units covered by Tranche 2, such that:

   a. EPS of $5.64 results in a 200% adjustment;
   b. EPS of $5.49 results in a 100% adjustment;
   c. EPS of $5.44 results in a 50% adjustment; and
   d. EPS below $5.44 results in a 0% adjustment.

   The adjustment factors for EPS performance between $5.44 and $5.49 and between $5.49 and $5.64 will be interpolated based on the parameters listed above.

   The adjustment percentage derived from the EPS determination will be multiplied by the number of Units covered by Tranche 2, yielding an adjusted number of Units (the "Adjusted Units") that will be used in step 2 below to determine the number of Shares earned in Tranche 2.

2. **Relative TSR**: The Committee will determine the Company's 2017-2019 TSR relative to the 2017-2019 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, 2016 and the ending stock price will be the closing stock price on December 31, 2019. 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 Section 4 of the Agreement as a result of the application of the Performance Vesting Requirements for the Tranche 2 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 identified in this Addendum, the additional terms and conditions for such country will apply. If the Employee relocates to one of the countries identified in this Addendum, the special terms and conditions for such country 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.

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 UBS website at www.ubs.com/onesource/abbv. 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 Plan 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 Plan, the Employee's Award shall be settled only in Shares (and may not be settled in cash).

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.***

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 Superintendence of Securities and Insurance;

b) The offer deals with securities not registered in the registry of securities or in the registry of foreign securities of the Chilean Superintendence of Securities and Insurance, 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 Superintendence of Securities and Insurance; 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 Superintendencia de Valores y Seguros Chilena;

b) La oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la Superintendencia de Valores y Seguros 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 sell 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

Treatment of Units upon Termination. Notwithstanding any provisions in the Agreement to the contrary, if the Employee is determined to be an "Employee," as defined in section 2 of the Danish Act on the Use of Rights to Purchase or Subscribe for Shares etc. in Employment Relationships (the "Stock Option Act"), the treatment of the Units upon Termination shall be governed by Sections 4 and 5 of the Stock Option Act. However, if the provisions in the Agreement or the Program governing the treatment of the Units upon a

Termination are more favorable, the provisions of the Agreement or the Program will govern. The Employee acknowledges having received an “Employer Information Statement” in Danish.

FINLAND

Withholding of Tax-Related Items. Notwithstanding Section 8 of the Agreement, 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.

5. Nature of the Program. The Company specifically intends that the Program will not be treated as an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance (“*ORSO*”). To the extent any court, tribunal or legal/regulatory body in Hong Kong determines that the Program constitutes an occupational retirement scheme for the purposes of ORSO, the grant of the Units shall be null and void.

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 to 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 Plan, 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): http://investors.abbvie.com/phoenix.zhtml?c=251551&p=irol-sec.

2. AbbVie Inc.'s most recent published financial statements (Form 10-Q or 10-K) and the auditor's report on those financial statements: http://investors.abbvie.com/phoenix.zhtml?c=251551&p=irol-sec.

3. The AbbVie 2013 Incentive Stock Program: This document can be accessed in the library section of the UBS website at www.ubs.com/onesource/abbv.

4. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the UBS website at www.ubs.com/onesource/abbv.

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 şi orice alte documente, notificări, înştiinţări 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.

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. Withholding Taxes. The following provision supplements Section 8 of the Agreement:

By accepting the Award, the Employee agrees to notify the Company's local affiliate in South Africa that employs the Employee (the "*Employer*") of the amount of any gain realized upon vesting of the Units. If the Employee fails to advise the Employer of the gain realized upon vesting of the Units, the Employee may be liable for a fine. The Employee will be responsible for paying any difference between the actual tax liability and the amount withheld.

2. 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.

3. 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): http://investors.abbvie.com/phoenix.zhtml?c=251551&p=irol-sec.

b. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the UBS website at www.ubs.com/onesource/abbv.

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.

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. Withholding 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 Employer 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 Employer against any Tax-Related Items that they are required to pay or withhold on the Employee's behalf or have paid or will pay to HMRC (or any other tax authority or any other relevant authority).

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-VESTED RESTRICTED STOCK UNIT AGREEMENT

On this **«Grant_Day»** day of **«Grant_Month», 2017** (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 Program shall control. This Award is intended to conform with the qualified performance-based compensation requirements of Code Section 162(m) and the regulations thereunder, to the extent applicable, and shall be construed accordingly.

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 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.

(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 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. 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 date the Employee has forfeited the Units, or 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**. If the Company's 2017 return on equity (as defined and approved by the Committee) is a minimum of 18 percent, 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. If the Company's 2017 return on equity is less than 18 percent, no Shares will become issuable under the Award. 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 and has not experienced a Termination that triggers forfeiture as of the applicable vesting date specified below:

(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 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 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.

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. 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's country of residence may have insider trading and/or market abuse laws that may affect the Employee's ability to acquire or sell Shares under the Program during such times the Employee is considered to have "inside information" (as defined under the laws in the Employee's country). These laws may be the same or different from any Company insider trading policy. The Employee acknowledges that it is the Employee's responsibility to be informed of and compliant with such regulations, and the Employee is advised to speak to the Employee's personal advisor on this matter.

16. **Code Section 409A**. Payments made pursuant to this Agreement are intended to be exempt from or otherwise to 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 to 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. Moreover, if the Employee relocates to one of the countries included in the Addendum, the special terms and conditions for such country 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, clarified, or interpreted by the parties, except in a writing specifying the modification, change, clarification, or interpretation, and 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**. 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**. 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.

* * *

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer as of the grant date above set forth.

ABBVIE INC.

By _______________

Title _______________

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 equity ("ROE") performance for the applicable year (2017, 2018 or 2019), as described in the Agreement and the Performance Vesting Requirements section below. The vesting tranches and corresponding Performance Periods are as follows:

Vesting Tranche	Units Subject to Vesting	Performance Period
Tranche 1	1/3 of Units	January 1-December 31, 2017
Tranche 2	1/3 of Units	January 1-December 31, 2018
Tranche 3	1/3 of Units	January 1-December 31, 2019

Performance Vesting Requirements

The vesting for each tranche will be determined based on the Company's ROE for the applicable Performance Period relative to the ROE 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, 2017 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 ROE percentile rank for the applicable Performance Period. For purposes of determining Performance Period ROE results, ROE means non-GAAP (or equivalent) ROE 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 ROE 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 90th percentile results in vesting at 150% of target level;
b. A ranking from the 75th percentile up to the 90th percentile results in vesting at target level;
c. A ranking from the 50th percentile up to the 75th percentile results in vesting at 50% of target level; and
d. A ranking below the 50th 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 Section 4 of the Agreement as a result of the application of the Performance Vesting Requirements for the 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 identified in this Addendum, the additional terms and conditions for such country will apply. If the Employee relocates to one of the countries identified in this Addendum, the special terms and conditions for such country 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.

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 UBS website at www.ubs.com/onesource/abbv. 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 Plan 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 Plan, the Employee's Award shall be settled only in Shares (and may not be settled in cash).

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.***

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 Superintendence of Securities and Insurance;

b) The offer deals with securities not registered in the registry of securities or in the registry of foreign securities of the Chilean Superintendence of Securities and Insurance, 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 Superintendence of Securities and Insurance; 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 Superintendencia de Valores y Seguros Chilena;

b) La oferta versa sobre valores no inscritos en el registro de valores o en el registro de valores extranjeros que lleva la Superintendencia de Valores y Seguros 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 sell 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

Treatment of Units upon Termination. Notwithstanding any provisions in the Agreement to the contrary, if the Employee is determined to be an "Employee," as defined in section 2 of the Danish Act on the Use of Rights to Purchase or Subscribe for Shares etc. in Employment Relationships (the "Stock Option Act"), the treatment of the Units upon Termination shall be governed by Sections 4 and 5 of the Stock Option Act. However, if the provisions in the Agreement or the Program governing the treatment of the Units upon a

Termination are more favorable, the provisions of the Agreement or the Program will govern. The Employee acknowledges having received an "Employer Information Statement" in Danish.

FINLAND

Withholding of Tax-Related Items. Notwithstanding Section 8 of the Agreement, 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.

5. Nature of the Program. The Company specifically intends that the Program will not be treated as an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance ("*ORSO*"). To the extent any court, tribunal or legal/regulatory body in Hong Kong determines that the Program constitutes an occupational retirement scheme for the purposes of ORSO, the grant of the Units shall be null and void.

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 to 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 Plan, 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): http://investors.abbvie.com/phoenix.zhtml?c=251551&p=irol-sec.

2. AbbVie Inc.'s most recent published financial statements (Form 10-Q or 10-K) and the auditor's report on those financial statements: http://investors.abbvie.com/phoenix.zhtml?c=251551&p=irol-sec.

3. The AbbVie 2013 Incentive Stock Program: This document can be accessed in the library section of the UBS website at www.ubs.com/onesource/abbv.

4. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the UBS website at www.ubs.com/onesource/abbv.

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 şi orice alte documente, notificări, înştiinţări 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.

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. Withholding Taxes. The following provision supplements Section 8 of the Agreement:

By accepting the Award, the Employee agrees to notify the Company's local affiliate in South Africa that employs the Employee (the "*Employer*") of the amount of any gain realized upon vesting of the Units. If the Employee fails to advise the Employer of the gain realized upon vesting of the Units, the Employee may be liable for a fine. The Employee will be responsible for paying any difference between the actual tax liability and the amount withheld.

2. 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.

3. 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): http://investors.abbvie.com/phoenix.zhtml?c=251551&p=irol-sec.

b. AbbVie 2013 Incentive Stock Program Prospectus: This document can be accessed in the library section of the UBS website at www.ubs.com/onesource/abbv.

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.

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. Withholding 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 Employer 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 Employer against any Tax-Related Items that they are required to pay or withhold on the Employee's behalf or have paid or will pay to HMRC (or any other tax authority or any other relevant authority).

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.

Exhibit 31.1

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 5, 2017

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

Exhibit 31.2

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

I, William J. Chase, 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 5, 2017

/s/ William J. Chase
William J. Chase, Executive Vice President,
Chief Financial Officer

Exhibit 32.1

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, 2017 as filed with the Securities and Exchange Commission (the “Report”), I, Richard A. Gonzalez, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard A. Gonzalez

Richard A. Gonzalez
Chairman of the Board and Chief Executive Officer
May 5, 2017

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.

Exhibit 32.2

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, 2017 as filed with the Securities and Exchange Commission (the “Report”), I, William J. Chase, 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/ William J. Chase

William J. Chase
Executive Vice President, Chief Financial Officer
May 5, 2017

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.