



DIVISION OF
CORPORATION FINANCE

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

January 30, 2019

Marc S. Gerber
Skadden, Arps, Slate, Meagher & Flom LLP
marc.gerber@skadden.com

Re: AbbVie Inc.

Dear Mr. Gerber:

This letter is in regard to your correspondence dated January 30, 2019 concerning the shareholder proposal (the "Proposal") submitted to AbbVie Inc. (the "Company") by The Sisters of St. Francis of Philadelphia et al. (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. Your letter indicates that the Proponents have withdrawn the Proposal and that the Company therefore withdraws its December 21, 2018 request for a no-action letter from the Division. Because the matter is now moot, we will have no further comment.

Copies of all of the correspondence related to this matter will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Courtney Haseley
Special Counsel

cc: Tom McCaney
The Sisters of St. Francis of Philadelphia
tmccaney@osfphila.org

DIVISION OF CORPORATION FINANCE INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

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BY EMAIL (shareholderproposals@sec.gov)

January 30, 2019

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

RE: AbbVie Inc. – Withdrawal of No-Action Request,
Dated December 21, 2018, Regarding the Shareholder
Proposal of The Sisters of St. Francis of Philadelphia
and co-filers

Ladies and Gentlemen:

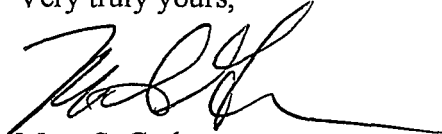
We refer to our letter, dated December 21, 2018 (the “No-Action Request”), pursuant to which we requested that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission concur with AbbVie’s view that it may exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by The Sisters of St. Francis of Philadelphia and co-filers (collectively, the “Proponents”) from the proxy materials to be distributed by AbbVie in connection with its 2019 annual meeting of shareholders.

Attached hereto as Exhibit A is a letter, dated January 30, 2019 (the “Proponents’ Withdrawal Letter”), from the Proponents withdrawing the Proposal. In reliance on the Proponents’ Withdrawal Letter, we hereby withdraw the No-Action Request.

Office of Chief Counsel
January 30, 2019
Page 2

If we can be of any further assistance, or if the Staff should have any questions, please do not hesitate to contact me at the telephone number or email address appearing on the first page of this letter.

Very truly yours,



Marc S. Gerber

Enclosures

cc: Tom McCaney
Associate Director
Corporate Social Responsibility
The Sisters of St. Francis of Philadelphia

Donna Meyer, PhD
Director of Shareholder Advocacy
Mercy Investment Services, Inc.

EXHIBIT A

(see attached)



THE SISTERS OF ST. FRANCIS OF PHILADELPHIA

January 30, 2019

Emily Alexander
Division Counsel, Governance
AbbVie, Inc.
1 North Waukegan Road
North Chicago, IL 60064

Dear Ms. Alexander:

As the primary filers of the shareholder resolution on Board Risk Oversight of drug pricing, the Sisters of St. Francis of Philadelphia hereby withdraw this proposal. We withdraw on behalf of ourselves, Mercy Investment Services, Robeco, and any and all other co-filers.

We thank you for the recent productive dialogue and the company's willingness to address this issue with added language in the upcoming proxy statement. If you have any questions, please don't hesitate to contact me via email at tmccaney@osfphila.org or by phone at 610-557764.

Respectfully Yours,

Tom McCaney
Associate Director, Corporate Social Responsibility

cc: Jennifer M. Lagunas, VP, Governance, Legal Operations and Assistant Corporate Secretary

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BY EMAIL (shareholderproposals@sec.gov)

December 21, 2018

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

RE: AbbVie Inc. – 2019 Annual Meeting
Omission of Shareholder Proposal of
The Sisters of St. Francis of Philadelphia and co-filers¹

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) promulgated under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), we are writing on behalf of our client, AbbVie Inc., a Delaware corporation (the “Company”), to request that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) concur with the Company’s view that, for the reasons stated below, it may exclude the shareholder proposal and supporting statement (the “Proposal”) submitted by The Sisters of St. Francis of Philadelphia and co-filers from the proxy materials to be distributed by the Company in connection with its 2019 annual meeting of shareholders (the “2019 proxy materials”). The Sisters of St. Francis of Philadelphia and the co-filers are sometimes collectively referred to as the “Proponents.”

¹ The following shareholders have co-filed the Proposal: Mercy Investment Services, Inc. and Robeco Institutional Umbrella Fund.

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), we are emailing this letter and its attachments to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j), we are simultaneously sending a copy of this letter and its attachments to the Proponents as notice of the Company’s intent to omit the Proposal from the 2019 proxy materials.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the shareholder proponents elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponents that if they submit correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the undersigned.

I. The Proposal

The text of the resolution contained in the Proposal is copied below:

RESOLVED, that shareholders of Abbvie, Inc. (“Abbvie” or the “Company”) recommend that the Board of Directors take the steps necessary to strengthen Board oversight of prescription drug pricing risk by formalizing oversight responsibility, which could take the form of creating a new Board committee or assigning responsibility to an existing committee, and by adding drug pricing risk expertise to the director qualifications skills matrix.

II. Bases for Exclusion

We hereby respectfully request that the Staff concur in the Company’s view that it may exclude the Proposal from the 2019 proxy materials pursuant to:

- Rule 14a-8(c) because the Proposal consists of multiple proposals;
- Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company’s ordinary business operations; and
- Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal.

III. Background

The Company received the Proposal on November 13, 2018, accompanied by a cover letter from The Sisters of St. Francis of Philadelphia and a letter from Northern Trust confirming that The Sisters of St. Francis of Philadelphia beneficially held the requisite number of shares of Company common stock as of the date of submission of the Proposal. On November 19, 2018 in accordance with Rule 14a-8(f)(1), the

Company sent a letter to The Sisters of St. Francis of Philadelphia (the “Deficiency Notice”), by email and overnight delivery, notifying them of the Company’s belief that the submission contained more than one shareholder proposal in violation of Rule 14a-8 and of their obligation to reduce the submission to a single proposal. The Company received an email from The Sisters of St. Francis of Philadelphia on November 27, 2018, indicating that they would not be revising the Proposal. Copies of each of the Proposal, cover letter, broker letter, Deficiency Notice and related correspondence are attached hereto as Exhibit A. In addition, the co-filers’ submissions and related correspondence are attached hereto as Exhibit B.

IV. The Proposal May be Excluded Pursuant to Rule 14a-8(c) Because the Proposal Consists of Multiple Proposals.

Rule 14a-8(c) provides that a shareholder may submit no more than one proposal pursuant to Rule 14a-8 to a company for a particular shareholders’ meeting. As indicated above, consistent with the Company’s obligations under Rule 14a-8(f)(1), the Company notified The Sisters of St. Francis of Philadelphia in the Deficiency Notice that the Company believes the submission contained more than one proposal and therefore must be reduced to a single proposal to comply with Rule 14a-8(c). In response, The Sisters of St. Francis of Philadelphia decided not to revise the Proposal.

The Staff has consistently recognized that Rule 14a-8(c) permits the exclusion of proposals that, although characterized by proponents as one proposal, combine separate and distinct matters that lack a single unifying concept. For instance, in *Textron, Inc.* (Mar. 7, 2012, *recon. denied* Mar. 30, 2012), the Staff concurred with the exclusion of a proposal entitled “Proxy Access” that sought to allow shareholders to make board nominations in the company’s proxy materials by requiring that the company amend its governing documents consistent with seven enumerated provisions in the proposal. All except one of those provisions focused on providing shareholders with the ability to nominate board members through proxy access. In contrast, the remaining provision required that any election of a majority of board seats being filled by operation of the proposed proxy access mechanism must not be considered to be a change of control by the company, its board or its officers. The Staff concurred with the company’s view that this “change of control” provision diverged from the proposal’s overarching goal of providing shareholders with proxy access and instead sought to address a possible consequence of shareholders utilizing the proposed proxy access mechanism. Given this divergence, the Staff granted relief to exclude the proposal under Rule 14a-8(c), noting that the change of control provision “constitute[d] a separate and distinct matter from the proposal relating to the inclusion of shareholder nominations for director in Textron’s proxy materials.” Similarly, in *Parker-Hannifin Corp.* (Sep. 4, 2009), the Staff concurred with the exclusion of a proposal entitled “Triennial Executive Pay Vote program” that consisted of three elements: (i) a triennial executive pay vote to approve the compensation of the company’s executive officers;

(ii) a triennial executive pay vote ballot that would provide shareholders an opportunity to register their approval or disapproval of three components of the executives' compensation; and (iii) a triennial forum, by webcast or otherwise, that would allow shareholders to engage in a dialogue with the compensation committee regarding the company's executive compensation policies and practices. The Staff concurred with the company's view that implementation of the third element would require completely distinct and separate actions from the first two elements of the proposal. The Staff specifically noted that the third element of the proposed Triennial Executive Pay Vote program was a "separate and distinct matter" from the first and second elements and thus determined the proponent's entire submission could be excluded. *See also Eaton Corp.* (Feb. 21, 2012) (concurring in the exclusion of a proposal where the Staff noted that the proposal relating to the method of reporting corporate ethics involves a separate and distinct matter from the three other proposals relating to employee compensation, accounting practices and operations in India); *PG&E Corp.* (Mar. 11, 2010) (concurring in the exclusion of a proposal where the Staff noted that the proposal relating to license renewal involves a separate and distinct matter from the proposals relating to mitigating risks and production levels).

Similar to the multiple-proposal submissions described above, the Proponent's revised submission contains two proposals that combine separate and distinct matters that lack a single unifying concept in violation of Rule 14a-8(c). The overarching goal of the Proposal is to formalize board oversight responsibility of the risks to the Company of pharmaceutical pricing decisions. In this respect, the Proposal's resolution asks the board to "take the steps necessary to strengthen Board oversight of prescription drug pricing risk by formalizing oversight responsibility," which could "take the form of creating a new Board committee or assigning responsibility to an existing committee." The supporting statement also is largely focused on this goal. For example, the supporting statement notes that high prescription drug prices "are the subject of widespread public debate," garnering media attention and regulatory scrutiny and provides examples of both, focusing on the risk of "pushback against high drug prices." The supporting statement goes on to state that "robust Board oversight of risks related to drug pricing would provide a valuable outside perspective and help ensure that those risks are being managed for the long term." In addition, the supporting statement explains that "[c]urrently, no Board committee charter explicitly assigns responsibility for oversight of drug pricing risk," but "[w]e believe that mounting pressures justify formalizing oversight responsibility."

The remaining portion of the Proposal, however, introduces a separate and distinct matter — board composition. Specifically, the final clause of the Proposal's resolution requests that the board add "drug pricing risk expertise to the director qualifications skills matrix." This request presents the Proposal's second objective, which is a separate and distinct matter from the overarching goal of formalizing board oversight responsibility of the risks to the Company of pharmaceutical pricing

decisions. In addition, this part of the Proposal would constitute a separate action from the first part. The first part of the Proposal seeks to formalize oversight responsibility through the board's committees, which could involve steps such as creating a new board committee and adopting a committee charter, revising the charter of an existing board committee, and/or revisiting various policies, procedures and board committee reports. On the other hand, the second part of the Proposal goes to the specific skills and qualifications to be evaluated in future director searches, which could involve steps such as the Nominations and Governance Committee working with a third party search firm to revise criteria used in connection with identifying potential candidates as part of the board's refreshment process. Thus, the second part of the Proposal clearly constitutes a separate and distinct matter.

Accordingly, consistent with the precedent described above, the Proposal should be excluded from the Company's 2019 proxy materials pursuant to Rule 14a-8(c) as it seeks to combine the separate and distinct matters of formalizing board oversight of the risks to the Company of pharmaceutical pricing decisions and board composition.

V. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(7) Because the Proposal Deals with Matters Relating to the Company's Ordinary Business Operations.

Under Rule 14a-8(i)(7), a shareholder proposal may be excluded from a company's proxy materials if the proposal "deals with matters relating to the company's ordinary business operations." In Exchange Act Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the Commission stated that the policy underlying the ordinary business exclusion rests on two central considerations. The first recognizes that certain tasks are so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight. The second consideration relates to the degree to which the proposal seeks to "micro-manage" the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.

In addition, the Commission has articulated that in cases where a proposal seeks reporting on or committee review of an issue facing a company, the Staff considers the underlying subject matter of the report or committee review to determine whether the proposal involves a matter of ordinary business. *See* Exchange Act Release No. 34-20091 (Aug. 16, 1983) (the "1983 Release") ("In the past, the staff has taken the position that proposals requesting issuers to prepare reports on specific aspects of their business or to form special committees to study a segment of their business would not be excludable under Rule 14a-8(c)(7). Because this interpretation raises form over substance and renders the provisions of paragraph (c)(7) largely a nullity . . . , the staff will consider whether the subject matter of the special report or the committee involves a matter of ordinary business; where it does, the proposal will be excludable under

Rule 14a-8(c)(7).”). *See also Comcast Corp* (Mar. 24, 2015) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board amend the governance and directors nominating committee charter to provide oversight and public reporting concerning the formulation and implementation of policies and standards to “determine transparent criteria on which company products continue to be distributed that especially endanger young people’s well-being, have the substantial potential to impair the reputation of the company and/or would reasonably be considered by many offensive to the family and community values integral to the company’s promotion of its brands,” noting that the proposal related to the company’s ordinary business matters).

Moreover, in Staff Legal Bulletin No. 14E (Oct. 27, 2009) (“SLB 14E”), the Staff noted that, if a proposal relates to management of risks or liabilities that a company faces as a result of its operations, the Staff will focus on the “subject matter to which the risk pertains or that gives rise to the risk” in making a decision regarding whether a proposal can be properly excluded pursuant to Rule 14a-8(i)(7). Pursuant to SLB 14E, the Staff has consistently permitted exclusion of shareholder proposals under Rule 14a-8(i)(7) requesting an assessment of risks when the underlying subject matter concerns the ordinary business of the company. *See, e.g., Netflix, Inc.* (Mar. 14, 2016) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that requested a report “describing how company management identifies, analyzes and oversees reputational risks related to offensive and inaccurate portrayals of Native Americans, American Indians and other indigenous peoples, how it mitigates these risks and how the company incorporates these risk assessment results into company policies and decision-making,” noting that the proposal related to the ordinary business matter of the “nature, presentation and content of programming and film production”); *Sempra Energy* (Jan. 12, 2012, *recon. denied* Jan. 23, 2012) (permitting exclusion under Rule 14a-8(i)(7) of a proposal that asked the board “to conduct an independent oversight review” of the company’s management of risks posed by the company’s operations in certain countries, noting that the proposal related to the company’s ordinary business matters).

In accordance with the policy considerations underlying the ordinary business exclusion, the Staff has consistently permitted exclusion of shareholder proposals under Rule 14a-8(i)(7) when those proposals relate to a company’s product pricing decisions. *See e.g., Equity LifeStyle Properties, Inc.* (Feb. 6, 2013) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on, among other things, “the reputational risks associated with the setting of unfair, inequitable and excessive rent increases that cause undue hardship to older homeowners on fixed incomes” and “potential negative feedback stated directly to potential customers from current residents,” noting that the “setting of prices for products and services is fundamental to management’s ability to run a company on a day-to-day basis”); *Ford Motor Co.* (Jan. 31, 2011) (permitting exclusion under Rule 14a-8(i)(7) of a proposal seeking to allow shareholders who purchased a new vehicle and “had no spare tire and hardware for

mounting [the spare tire] . . . be able to purchase same from Ford Motor at the manufacturing cost of same,” noting that “the setting of prices for products and services is fundamental to management’s ability to run a company on a day-to-day basis”); *Western Union Co.* (Mar. 7, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board review, among other things, the effect of the company’s remittance practices on the communities served and compare the company’s fees, exchange rates, and pricing structures with other companies in its industry, noting that the proposal related to the company’s “ordinary business operations (i.e., the prices charged by the company)”). In particular, the Staff has permitted exclusion of shareholder proposals under Rule 14a-8(i)(7) where the proposals specifically related to prescription drug pricing. *See AbbVie Inc.* (Feb. 24, 2017) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on “the rationale and criteria used” to determine “the rates of price increases year-to-year of the company’s top ten selling branded prescription drugs between 2010 and 2016,” noting that the company’s “rationale and criteria for price increases” of such prescription drugs related to ordinary business operations); *Gilead Sciences, Inc.* (Feb. 10, 2017) (same).

In addition, the Staff has permitted exclusion of shareholder proposals under Rule 14a-8(i)(7) when those proposals request a report on how companies intend to respond to regulatory, legislative and public pressures relating to pricing policies or price increases. *See UnitedHealth Group Inc.* (Mar. 16, 2011) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting a board report on how the company is responding to regulatory, legislative, and public pressures to ensure affordable health care coverage and the measures the company is taking to contain price increases of health insurance premiums as relating to ordinary business matters); *Johnson & Johnson* (Jan. 12, 2004) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board review pricing and marketing policies and prepare a report on how the company will respond to regulatory, legislative and public pressure to increase access to prescription drugs).

In certain limited circumstances, the Staff has declined to permit the exclusion of proposals relating to the pricing policies for pharmaceutical products. In all of those instances, however, the proposals focused solely on the company’s fundamental business strategy with respect to its pricing policies for pharmaceutical products rather than on product pricing decisions and the steps being taken to manage risks to the company related to those decisions. In particular, the request in each of those proposals appeared to focus on restraining or containing prices with the goal of providing affordable access to prescription drugs. *See Celgene Corp.* (Mar. 19, 2015) (declining to permit exclusion under Rule 14a-8(i)(7) of a proposal requesting a report on the risks to the company from rising pressure to contain U.S. specialty drug prices, noting that the proposal focused on the company’s “fundamental business strategy with respect to its pricing policies for pharmaceutical products”); *Vertex Pharmaceuticals Inc.* (Feb. 25, 2015) (same); *Gilead Sciences, Inc.* (Feb. 23, 2015) (same); *Bristol-Myers Squibb*

Co. (Feb. 21, 2000) (declining to permit exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board create and implement a policy of price restraint on pharmaceutical products for individual customers and institutional purchasers to keep drug prices at reasonable levels and report to shareholders any changes in its pricing policies and procedures, noting that the proposal related to the company's "fundamental business strategy, i.e., its pricing for pharmaceutical products"); *Warner-Lambert Co.* (Feb. 21, 2000) (same); *Eli Lilly and Co.* (Feb. 25, 1993) (declining to permit exclusion under Rule 14a-8(i)(7) where the proposal requested that the company "seek input on its pricing policy from consumer groups, and to adopt a policy of price restraint," noting that the proposal related to "the [c]ompany's fundamental business strategy with respect to its pricing policy for pharmaceutical products").

In this case, the Proposal does not focus on the Company's fundamental business strategy with respect to pricing policies for pharmaceutical products with the goal of providing affordable access to prescription drugs. Rather, the primary focus of the Proposal is on the risks to the Company related to product pricing decisions and the steps being taken to manage risks related to those decisions. Specifically, the Proposal requests that the Company's board "take the steps necessary to strengthen Board oversight of prescription drug pricing risk by formalizing oversight responsibility." The supporting statement likewise calls for "robust board oversight of risks related to drug pricing," noting that external pressures "justify formalizing oversight responsibility." Examples of these pressures cited by the supporting statement include the White House's "Blueprint" for lowering drug prices, California's requirement to notify regulators of price increases over 16%, other state measures on price transparency, importation and price-gouging, and media criticism of the Company's product pricing. In addition, the supporting statement states that "pushback against high drug prices is an important risk facing pharmaceutical companies" and the Company is "especially vulnerable." These statements, read together with the Proposal's specific request, demonstrate that the Proposal is focused on the ordinary business matter of the Company's product pricing decisions and the steps the Company is taking to manage related risks and not on the more general notion of fundamental business strategy with the goal of providing affordable access to prescription drugs. For this reason, the Proposal is excludable under Rule 14a-8(i)(7) as relating to ordinary business matters.

Finally, we note that a proposal may not be excluded under Rule 14a-8(i)(7) if it is determined to focus on a significant policy issue. The fact that a proposal may touch upon a significant policy issue, however, does not preclude exclusion under Rule 14a-8(i)(7). Instead, the question is whether the proposal focuses primarily on a matter of broad public policy versus matters related to the company's ordinary business operations. See the 1998 Release and SLB 14E. The Staff has consistently permitted exclusion of shareholder proposals where the proposal focused on ordinary business matters, even though it also related to a potential significant policy issue. For example, in *Amazon.com, Inc.* (Mar. 27, 2015), the Staff permitted exclusion under

Rule 14a-8(i)(7) of a proposal requesting that the company “disclose to shareholders reputational and financial risks it may face as a result of negative public opinion pertaining to the treatment of animals used to produce products it sells” where the proponent argued that Amazon’s sale of *foie gras* implicated the significant policy issue of animal cruelty. In granting no-action relief, the Staff determined that “the proposal relate[d] to the products and services offered for sale by the company.” Similarly, in *Exxon Mobil Corp.* (Mar. 6, 2012), the Staff permitted exclusion of a proposal requesting that the company prepare a report “discussing possible short and long term risks to the company’s finances and operations posed by the environmental, social and economic challenges associated with the oil sands.” In concurring with the company’s view that the proposal could be excluded pursuant to Rule 14a-8(i)(7), the Staff noted that the proposal “addresse[d] the ‘economic challenges’ associated with the oil sands and [did] not . . . focus on a significant policy issue.” In addition, in *PetSmart, Inc.* (Mar. 24, 2011), the Staff permitted exclusion under Rule 14a-8(i)(7) of a proposal calling for suppliers to certify that they have not violated certain laws regarding the humane treatment of animals, even though the Staff had determined that the humane treatment of animals was a significant policy issue. In its no-action letter, the Staff specifically noted the company’s view that the scope of the laws covered by the proposal were “fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping.” *See also, e.g., CIGNA Corp.* (Feb. 23, 2011) (permitting exclusion under Rule 14a-8(i)(7) when, although the proposal addressed the potential significant policy issue of access to affordable health care, it also asked CIGNA to report on expense management, an ordinary business matter); *Capital One Financial Corp.* (Feb. 3, 2005) (permitting exclusion under Rule 14a-8(i)(7) when, although the proposal addressed the significant policy issue of outsourcing, it also asked the company to disclose information about how it manages its workforce, an ordinary business matter). Further, even if the Proposal were to touch on a potential significant policy issue, similar to the precedent above, the Proposal focuses on ordinary business matters (*i.e.*, the Company’s product pricing decisions and the steps it is taking to manage risks related to those decisions).

Accordingly, consistent with the precedent described above, the Proposal should be excluded from the Company’s 2019 proxy materials pursuant to Rule 14a-8(i)(7) as relating to the Company’s ordinary business operations.

VI. The Proposal May be Excluded Pursuant to Rule 14a-8(i)(10) Because the Company Has Substantially Implemented the Proposal.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal if the company has already substantially implemented the proposal. The Commission adopted the “substantially implemented” standard in 1983 after determining that the “previous formalistic application” of the rule defeated its purpose, which is to “avoid the possibility of shareholders having to consider matters which already have been

favorably acted upon by the management.” *See* 1983 Release; Exchange Act Release No. 34-12598 (July 7, 1976). Accordingly, the actions requested by a proposal need not be “fully effected” provided that they have been “substantially implemented” by the company. *See* 1983 Release.

Applying this standard, the Staff has consistently permitted the exclusion of a proposal when it has determined that the company’s policies, practices and procedures or public disclosures compare favorably with the guidelines of the proposal. *See, e.g., The Goldman Sachs Group, Inc.* (Mar. 12, 2018); *Wells Fargo & Co.* (Mar. 6, 2018); *Kewaunee Scientific Corp.* (May 31, 2017); *Wal-Mart Stores, Inc.* (Mar. 16, 2017); *Dominion Resources, Inc.* (Feb. 9, 2016); *Ryder Sys., Inc.* (Feb. 11, 2015); *Wal-Mart Stores, Inc.* (Mar. 27, 2014); *Peabody Energy Corp.* (Feb. 25, 2014); *The Goldman Sachs Group, Inc.* (Feb. 12, 2014); *Hewlett-Packard Co.* (Dec. 18, 2013); *Deere & Co.* (Nov. 13, 2012); *Duke Energy Corp.* (Feb. 21, 2012); *Exelon Corp.* (Feb. 26, 2010); *ConAgra Foods, Inc.* (July 3, 2006); *The Gap, Inc.* (Mar. 16, 2001); *Nordstrom, Inc.* (Feb. 8, 1995); *Texaco, Inc.* (Mar. 6, 1991, recon. granted Mar. 28, 1991).

In addition, the Staff has permitted exclusion under Rule 14a-8(i)(10) where a company already addressed the underlying concerns and satisfied the essential objectives of the proposal, even if the proposal had not been implemented exactly as proposed by the proponent. For example, in *Pfizer Inc.* (Mar. 1, 2018), the Staff permitted exclusion under Rule 14a-8(i)(10) of a proposal requesting the board report on the risks to the company from rising pressure to contain U.S. prescription drug prices, including the likelihood and potential impact of those risks as applied to the company, the steps the company was taking to mitigate or manage those risks and the board’s oversight role. In arguing that the proposal had been substantially implemented, the company referred to its public disclosures regarding specific risks resulting from increasing pharmaceutical product pricing pressures, including the likelihood and potential impact of those risks as applied to the company, its response to such risks and the regulatory landscape of pharmaceutical pricing, and the role of its Board Regulatory and Compliance Committee in assessing and overseeing “current and emerging risks and regulatory and enforcement trends that may affect [the company’s] business operations, performance, or strategy.” *See also, e.g., PG&E Corp.* (Mar. 10, 2010) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting that the company provide a report on, among other things, the company’s standards for choosing the organizations to which the company makes charitable contributions and the “business rationale and purpose for each of the charitable contributions” where the company’s website described its policies and guidelines for determining the types of grants the company makes and does not make); *MGM Resorts Int’l* (Feb. 28, 2012) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on the company’s sustainability policies and performance, including multiple, objective statistical indicators, where the company published an annual sustainability report); *Exelon Corp.* (Feb. 26, 2010) (permitting exclusion under Rule 14a-8(i)(10) of a

proposal requesting a report disclosing policies and procedures for political contributions and monetary and non-monetary political contributions where the company had adopted corporate political contributions guidelines); *The Gap Inc.* (Mar. 16, 2001) (permitting exclusion under Rule 14a-8(i)(10) of a proposal requesting a report on child labor practices of the company's suppliers where the company had established a code of vendor conduct, monitored compliance with the code, published information on its website about the code and monitoring programs and discussed child labor issues with shareholders).

Further, the Staff has permitted exclusion under Rule 14a-8(i)(10) of a proposal seeking the creation of a new committee to oversee certain matters when those matters already were overseen by the company's existing committees. In *Apple Inc.* (Nov. 19, 2018), for example, the Staff permitted exclusion under Rule 14a-8(i)(10) of a proposal that requested an "International Policy Committee" to oversee the company's policies related to human rights, foreign governmental regulations and international relations affecting the company's international business, especially in China, because the company's existing committees and policies covered similar matters, even though they did not specifically mention the company's China-based operations and the supporting statement claimed the company's existing committees did not adequately oversee the related risks. *See also Apple Inc.* (Dec. 11, 2014) (permitting exclusion under Rule 14a-8(i)(10) of a proposal seeking establishment of a "Public Policy Committee" to assist in board oversight of human rights, where the company did not have a separate committee but had existing committees and policies designed to oversee the matters listed in the proposal).

The Company has substantially implemented the Proposal, the essential objective of which is to implement board oversight of the risks to the Company related to pharmaceutical pricing decisions. In particular, the Proposal recommends that the board "strengthen Board oversight of prescription drug pricing risk by formalizing oversight responsibility, which could take the form of creating a new Board committee or assigning responsibility to an existing committee, and by adding drug pricing risk expertise to the director qualifications skills matrix." The Company's board already has robust systems and procedures in place to oversee risks related to the marketing and sale of its products, which include risks related to pricing decisions.

As described in the Company's definitive proxy statement for its 2018 annual meeting of shareholders (the "2018 Proxy Statement"), the Company's Public Policy Committee "assists the board of directors in fulfilling its oversight responsibility" in "public policy, certain areas of legal and regulatory compliance, governmental affairs, health care compliance, and social responsibility."² This role is outlined in the Public

² See the Company's Definitive Proxy Statement for its 2018 Annual Meeting of Stockholders, available at

Policy Committee's Charter, which states that the Public Policy Committee shall "[r]eview and evaluate AbbVie's policies and practices with respect to social responsibility, and review them with the Board as appropriate" and "[r]eview social, political, economic and environmental trends and public policy issues that affect or could affect AbbVie's business activities, performance, and public image, and review them with the Board as appropriate."³ Similar to *Apple Inc.* (Nov. 19, 2018), the Proposal is substantially implemented because the Company already has a board committee that oversees the types of risk with which the Proposal is concerned.

In addition, the Proposal's request to add drug pricing risk expertise to the Company's director qualifications skills matrix is substantially implemented. The Proposal's supporting statement explains that this means "previous work for a payer or purchaser or pharmacoeconomics expertise." As described in the 2018 Proxy Statement, one of the skills that incoming directors are evaluated on is their "Healthcare Industry" experience, which includes previous work for payers and purchasers of pharmaceuticals. In addition, as described in the 2018 Proxy Statement, incoming directors are also evaluated on the basis of their "Government Relations and Regulatory" experience, which includes "an understanding of the complex regulatory and governmental environment in which our business operates." Further, not only are these skills considered when evaluating new directors but they are reflected in the Company's current board of directors – five out of eleven of the Company's directors have experience in the Healthcare Industry and all eleven have Government Relations and Regulatory experience.

While the Company has not created a new board committee solely devoted to the oversight of drug pricing risks, its existing board and board committee risk oversight practices provide a robust and comprehensive system that works together to satisfy the Proposal's essential objective of board oversight of the risks to the Company related to pharmaceutical pricing decisions. In addition, with respect to the Proposal's concern with director skills, the Company's directors are already evaluated on their healthcare industry experience. Therefore, although the Company has not implemented the Proposal exactly as requested, it has substantially implemented the Proposal.

Accordingly, consistent with the precedent described above, the Proposal should be excluded from the Company's 2019 proxy materials pursuant to Rule 14a-8(i)(10) as substantially implemented.

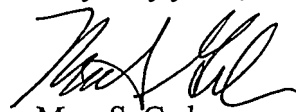
<https://www.sec.gov/Archives/edgar/data/1551152/000104746918001843/a2234787zdef14a.htm> and attached hereto as Exhibit C.

³ See the Company's Public Policy Committee Charter, available at <https://investors.abbvie.com/static-files/323c9ed5-ab11-444c-9ff7-cac2ec54e627> and attached hereto as Exhibit D.

VII. Conclusion

Based upon the foregoing analysis, the Company respectfully requests that the Staff concur that it will take no action if the Company excludes the Proposal from its 2019 proxy materials. Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of the Company's position, we would appreciate the opportunity to confer with the Staff concerning these matters prior to the issuance of the Staff's response. Please do not hesitate to contact the undersigned at (202) 371-7233.

Very truly yours,



Marc S. Gerber

Enclosures

cc: Laura J. Schumacher
Vice Chairman, External Affairs and Chief Legal Officer
AbbVie Inc.

Tom McCaney
Associate Director
Corporate Social Responsibility
The Sisters of St. Francis of Philadelphia

Donna Meyer, PhD
Director of Shareholder Advocacy
Mercy Investment Services, Inc.

EXHIBIT A

(see attached)



THE SISTERS OF ST. FRANCIS OF PHILADELPHIA

So June 1

November 12, 2018

Laura J. Schumacher
Corporate Secretary
Dept. V364, AP34
AbbVie, Inc.
1 North Waukegan Road
North Chicago, IL 60064

Dear Ms. Schumacher:

Peace and all good! The Sisters of St. Francis of Philadelphia, as shareholders in AbbVie, are concerned about the relentlessly increasing price of prescription drugs and the resulting risks to the company.

The Sisters of St. Francis of Philadelphia are therefore submitting the enclosed shareholder proposal requesting that AbbVie formalize its oversight responsibility by creating a new Board committee tasked with finding paths to pricing that are affordable for the consumer and sustainable for the company. I submit it for inclusion in the proxy statement for consideration and action by the stockholders at the 2019 annual meeting in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934. A representative of the shareholders will attend the annual meeting to move the resolution as required by SEC rules. Please note that the contact person for this resolution/proposal will be: Tom McCaney, Associate Director, Corporate Social Responsibility. Contact information: 610-716-2766 or tmccaney@osfphila.org.

As verification that we are beneficial owners of common stock in AbbVie, I enclose a letter from Northern Trust Company, our portfolio custodian/Record holder, attesting to the fact. It is our intention to keep these shares in our portfolio at least until after the annual meeting.

Respectfully Yours,

Tom McCaney
Associate Director, Corporate Social Responsibility

Enclosures

RESOLVED, that shareholders of Abbvie, Inc. (“Abbvie” or the “Company”) recommend that the Board of Directors take the steps necessary to strengthen Board oversight of prescription drug pricing risk by formalizing oversight responsibility, which could take the form of creating a new Board committee or assigning responsibility to an existing committee, and by adding drug pricing risk expertise to the director qualifications skills matrix.

SUPPORTING STATEMENT

High prescription drug prices are the subject of widespread public debate in the United States. Public outrage over high prices and the impact on patient access garner substantial media attention and scrutiny from policymakers; a 2018 New York Times article focused on the price of Abbvie’s Humira, which more than doubled from 2012 to 2017.¹ Even the head of industry trade association PhRMA recently admitted that “patients are increasingly facing affordability challenges in the marketplace.”²

A March 2018 Kaiser Family Foundation poll found that 52% of respondents ranked lowering drug prices as a “top priority” for the President and Congress. The White House released a “Blueprint” for lowering prices in May 2018. In October 2017, California began requiring companies to notify regulators when they intend to raise a drug’s price by 16% or more over two years and explain why the increase is necessary. Other states have enacted measures addressing pricing transparency, importation and price-gouging.

Accordingly, pushback against high drug prices is an important risk facing pharmaceutical companies; we believe Abbvie is especially vulnerable. A 2018 Credit Suisse report highlighted Abbvie as among the companies most at risk from specialty pricing pressures in commercial insurance.³ Humira, which accounted for 65% of Abbvie’s revenues in 2017,⁴ now faces competition in Europe from biosimilars, which are expected to cost less.

In our view, robust board oversight of risks related to drug pricing would provide a valuable outside perspective and help ensure that those risks are being managed for the long term. Currently, no Board committee charter explicitly assigns responsibility for oversight of drug pricing risk, though the Public Policy Committee reviews and evaluates “Abbvie’s policies and practices with respect to social responsibility” and reviews “public policy issues that affect or could affect

¹ <https://www.nytimes.com/2018/01/06/business/humira-drug-prices.html>

² <https://www.biopharmadive.com/news/gottlieb-rebuffs-pharma-ceo-nostrum-labs-price-hikes-moral-imperative/532194/>

³ “Global Pharmaceuticals: Scoring Sensitivity to Trump Reforms,” May 25, 2018, at 9.

⁴ <https://www.sec.gov/Archives/edgar/data/1551152/000155115218000014/abbv-20171231x10k.htm>, at 12.

Abbvie's business activities." We believe that mounting pressures justify formalizing oversight responsibility. Doing so by creating a new committee or designating an existing committee would permit additional time to be devoted to the issue without burdening all directors and could allow for more frequent communication with management.

To ensure that the relevant committee includes one or more directors with appropriate expertise, we advocate adding expertise related to drug pricing risk, such as previous work for a payer or purchaser or pharmacoeconomics expertise, to the director "skills, knowledge and experience matrix," which reflects the skills considered "most relevant to the board's oversight role."⁵

We urge shareholders to vote for this proposal.



50 S. LaSalle Street
Chicago IL 60603

November 12, 2018

To Whom It May Concern:

This letter will confirm that the Sisters of St. Francis of Philadelphia hold **11,572** shares of **Abbvie Inc Common Stock (CUSIP : 00287Y109)**. These shares have been held continuously, **72** of which for at least a one-year period preceding and including **November 12** and will be held at the time of your next annual shareholders meeting.

The Northern Trust Company serves as custodian/record holder for the Sisters of St. Francis of Philadelphia. The above mentioned shares are registered in the nominee name of the Northern Trust Company.

This letter will further verify that Sister Nora M. Nash and/or Thomas McCaney are representatives of the Sisters of St. Francis of Philadelphia and are authorized to act on their behalf.

Sincerely,

Lisa M. Martinez- Shaffer
Second Vice President



November 19, 2018

VIA EMAIL AND OVERNIGHT DELIVERY

Mr. Tom McCaney
Associate Director, Corporate Social Responsibility
The Sisters of St. Francis of Philadelphia
609 South Convent Road
Aston, PA 19014-1207
tmccaney@osfphila.org

Re: Shareholder Proposal for the AbbVie Inc. 2019 Annual Meeting

Dear Mr. McCaney:

On November 13, 2018, AbbVie Inc. ("AbbVie") received a letter from The Sisters of St. Francis of Philadelphia (the "proponent") submitting a shareholder proposal pursuant to Rule 14a-8 under the Securities Exchange Act of 1935, as amended (the "Exchange Act"), for consideration at AbbVie's 2019 Annual Meeting of Stockholders.

Rule 14a-8(a) under the Securities Exchange Act allows a proponent to submit no more than one proposal for consideration at a given shareholder meeting. Your proposal constitutes two proposals: (1) "formalizing oversight responsibility," and (2) "adding drug pricing risk expertise to the director qualifications skills matrix."

The rules of the SEC require that a response to this letter, correcting all deficiencies described in this letter, be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter.

Once we receive any response, we will be in a position to determine whether the proposal is eligible for inclusion in the proxy materials for our 2019 Annual Meeting of Shareholders. We reserve the right to seek relief from the SEC as appropriate.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer M. Lagunas".

Jennifer M. Lagunas

Adams, Ryan J (WAS)

From: Thomas McCaney <tmccaney@osfphila.org>
Sent: Tuesday, November 27, 2018 3:34 PM
To: Bratzke, Michelle L
Cc: Alexander, Emily A; Lagunas, Jennifer M; Cathy Rowan; Beth Young; Meg Jones-Monteiro; Donna Meyer; Laura Bosch
Subject: [EXTERNAL] Re: Shareholder proposal for AbbVie 2019 shareholder meeting

Dear Ms. Lagunas and Ms. Bratzke,
Please be advised that the proponents of the shareholder resolution on drug pricing risk have decided not to revise the filing. Thank you for your attention.

Sincerely,

Tom McCaney

Sisters of St. Francis of Philadelphia

609 S. Convent Road

Aston, PA 19014

610-558-7764

>>> "Bratzke, Michelle L" 11/19/2018 11:47 AM >>>

Mr. McCaney,

On behalf of Jennifer Lagunas, attached please find correspondence which is also being sent via overnight courier.

Thank you.

Regards,

Michelle Bratzke

MICHELLE BRATZKE

Manager, Corporate Governance

AbbVie

1 North Waukegan Road

Bldg AP34-2-NE

North Chicago, IL 60064

OFFICE 847-935-9156

FAX 847-935-4675

EMAIL michelle.bratzke@abbvie.com

abbvie.com

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EXHIBIT B

(see attached)



November 14, 2018

Laura J. Schumacher
Corporate Secretary
AbbVie Inc.
1 North Waukegan Road
North Chicago, IL 60064

Dear Ms. Schumacher:

Mercy Investment Services, Inc. (Mercy), as the investment program of the Sisters of Mercy of the Americas, has long been concerned not only with the financial returns of its investments, but also with their social and ethical implications. We believe that a demonstrated corporate responsibility in matters of the environment, and social and governance concerns fosters long-term business success. Mercy Investment Services, Inc., a long-term investor, is currently the beneficial owner of shares of AbbVie Inc.

Mercy is filing the resolution to recommend that the Board of Directors take the steps necessary to strengthen Board oversight of prescription drug pricing risk by formalizing oversight responsibility, which could take the form of creating a new Board committee or assigning responsibility to an existing committee, and by adding drug pricing risk expertise to the director qualifications skills matrix.

Mercy Investment Services, Inc., is co-filing the enclosed shareholder proposal with the Sisters of St. Francis of Philadelphia for inclusion in the 2019 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Mercy Investment Services, Inc. has been a shareholder continuously for more than one year holding at least \$2,000 in market value, and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. A representative of the filers will attend the Annual Meeting to move the resolution as required by SEC rules. The verification of ownership, a DTC participant, is enclosed with this letter. The Sisters of St. Francis of Philadelphia may withdraw the proposal on our behalf. We respectfully request direct communications from AbbVie Inc., and to have our supporting statement and organization name included in the proxy statement.

We look forward to having productive conversations with the company. Please direct your responses to me via my contact information below.

Best regards,

A handwritten signature in cursive script, appearing to read "Donna Meyer".

Donna Meyer, PhD
Director of Shareholder Advocacy
713-299-5018
dmeyer@mercyinvestments.org

RESOLVED, that shareholders of Abbvie, Inc. (“Abbvie” or the “Company”) recommend that the Board of Directors take the steps necessary to strengthen Board oversight of prescription drug pricing risk by formalizing oversight responsibility, which could take the form of creating a new Board committee or assigning responsibility to an existing committee, and by adding drug pricing risk expertise to the director qualifications skills matrix.

SUPPORTING STATEMENT

High prescription drug prices are the subject of widespread public debate in the United States. Public outrage over high prices and the impact on patient access garner substantial media attention and scrutiny from policymakers; a 2018 New York Times article focused on the price of Abbvie’s Humira, which more than doubled from 2012 to 2017.¹ Even the head of industry trade association PhRMA recently admitted that “patients are increasingly facing affordability challenges in the marketplace.”²

A March 2018 Kaiser Family Foundation poll found that 52% of respondents ranked lowering drug prices as a “top priority” for the President and Congress. The White House released a “Blueprint” for lowering prices in May 2018. In October 2017, California began requiring companies to notify regulators when they intend to raise a drug’s price by 16% or more over two years and explain why the increase is necessary. Other states have enacted measures addressing pricing transparency, importation and price-gouging.

Accordingly, pushback against high drug prices is an important risk facing pharmaceutical companies; we believe Abbvie is especially vulnerable. A 2018 Credit Suisse report highlighted Abbvie as among the companies most at risk from specialty pricing pressures in commercial insurance.³ Humira, which accounted for 65% of Abbvie’s revenues in 2017,⁴ now faces competition in Europe from biosimilars, which are expected to cost less.

In our view, robust board oversight of risks related to drug pricing would provide a valuable outside perspective and help ensure that those risks are being managed for the long term. Currently, no Board committee charter explicitly assigns responsibility for oversight of drug pricing risk, though the Public Policy Committee reviews and evaluates “Abbvie’s policies and practices with respect to social responsibility” and reviews “public policy issues that affect or could affect

¹ <https://www.nytimes.com/2018/01/06/business/humira-drug-prices.html>

² <https://www.biopharmadive.com/news/gottlieb-rebuffs-pharma-ceo-nostrum-labs-price-hikes-moral-imperative/532194/>

³ “Global Pharmaceuticals: Scoring Sensitivity to Trump Reforms,” May 25, 2018, at 9.

⁴ <https://www.sec.gov/Archives/edgar/data/1551152/000155115218000014/abbv-20171231x10k.htm>, at 12.



November 14, 2018

Laura J. Schumacher
Corporate Secretary
AbbVie Inc.
1 North Waukegan Road
North Chicago, IL 60064

Re: Mercy Investment Services Inc.

Dear Laura,

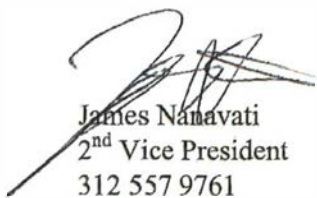
This letter will certify that as of November 14, 2018, Northern Trust held for the beneficial interest of Mercy Investment Services Inc., 46 shares of AbbVie Inc. We confirm that Mercy Investment Services Inc. has beneficial ownership of at least \$2,000 in market value of the voting securities of AbbVie Inc., and that such beneficial ownership has existed continuously for at least one year including a one year period preceding and including November 14, 2018, in accordance with rule 14a-8 of the Securities Exchange Act of 1934. Further, it is Mercy Investment Services Inc., intent to hold at least \$2,000 in market value through the next annual meeting.

We also confirm that as of the filing date, November 14, 2018, Mercy Investment Services Inc., held 30,003 additional shares of AbbVie Inc. with a market value of \$2,649,864.96.

Please be advised, Northern Trust is a DTC Participant, whose DTC number is 2669.

If you have any questions please feel free to give me a call.

Sincerely,



James Nanavati
2nd Vice President
312 557 9761

RECEIVED

NOV 15 2018

L.J. SCHUMACHER

November 20, 2018

VIA EMAIL

Donna Meyer, PhD
Director of Shareholder Advocacy
Mercy Investment Services, Inc.
2039 North Geyer Road
St. Louis, MO 63131
dmeyer@mercyinvestments.org

Re: Shareholder Proposal for the AbbVie Inc. 2019 Annual Meeting

Dear Dr. Meyer:

On November 15, 2018, AbbVie Inc. ("AbbVie") received a letter from Mercy Investment Services, Inc. (the "proponent") submitting a shareholder proposal pursuant to Rule 14a-8 under the Securities Exchange Act of 1935, as amended (the "Exchange Act"), for consideration at AbbVie's 2019 Annual Meeting of Stockholders.

Rule 14a-8(a) under the Securities Exchange Act allows a proponent to submit no more than one proposal for consideration at a given shareholder meeting. Your proposal constitutes two proposals: (1) "formalizing oversight responsibility," and (2) "adding drug pricing risk expertise to the director qualifications skills matrix."

The rules of the SEC require that a response to this letter, correcting all deficiencies described in this letter, be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter.

Once we receive any response, we will be in a position to determine whether the proposal is eligible for inclusion in the proxy materials for our 2019 Annual Meeting of Shareholders. We reserve the right to seek relief from the SEC as appropriate.

Sincerely,



Jennifer M. Lagunas

Page 1 of 2

AbbVie, Inc.
Attn: Laura J. Schumacher
Corporate Secretary
Dept. V364, AP34
AbbVie, Inc.
1 North Waukegan Road
North Chicago, IL 60064

19 November 2018

Dear Mrs. Schumacher,

Robeco is a global asset manager, based in Rotterdam, The Netherlands with EUR 167 Billion Assets under management. We view sustainability as a long-term driver of change in markets, countries and companies which impacts future performance. Based on this belief, sustainability is considered as one of the value drivers in our investment process, similar to the way we look at other drivers such as company financials or market momentum. From an investment perspective, we believe considering material Environmental, Social and Governance (ESG) factors strengthens our investment process and ultimately leads to a better-informed investment decision. Robeco has been a long term beneficial owner of shares of AbbVie.

As a shareholder, we are concerned about the social risks created by drug pricing and the actions the company is taking to mitigate these risks. AbbVie bears particular exposure to these specific risks.

Robeco is filing the enclosed shareholder proposal entitled, for inclusion in the 2019 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Robeco has been a shareholder continuously for more than one year holding at least \$2000 in market value and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. A representative of the filers will attend the Annual General Meeting to move the resolution as required by SEC rules. The verification of ownership is being sent to you separately by our custodian, a DTC participant. For reference, a copy is also attached to this letter. The Sisters of St. Francis of Philadelphia are serving as the lead filer on this proposal.

We are filing this proposal today, because of the impending deadline for proposals. It is our preference to resolve our concerns through dialogue rather than the formal resolution process. We commend the company for its openness in the past to dialogue with many of its investors and we look forward to having further productive conversations with the company in the coming months.

If you have any questions, please do not hesitate to contact my colleague Peter van der Werf at p.van.der.werf@robeco.nle

Yours faithfully,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Carola van Lamoën
Head of Active Ownership
Weena 850, 3014 DA Rotterdam, The Netherlands

RESOLVED, that shareholders of Abbvie, Inc. (“Abbvie” or the “Company”) recommend that the Board of Directors take the steps necessary to strengthen Board oversight of prescription drug pricing risk by formalizing oversight responsibility, which could take the form of creating a new Board committee or assigning responsibility to an existing committee, and by adding drug pricing risk expertise to the director qualifications skills matrix.

SUPPORTING STATEMENT

High prescription drug prices are the subject of widespread public debate in the United States. Public outrage over high prices and the impact on patient access garner substantial media attention and scrutiny from policymakers; a 2018 New York Times article focused on the price of Abbvie’s Humira, which more than doubled from 2012 to 2017.¹ Even the head of industry trade association PhRMA recently admitted that “patients are increasingly facing affordability challenges in the marketplace.”²

A March 2018 Kaiser Family Foundation poll found that 52% of respondents ranked lowering drug prices as a “top priority” for the President and Congress. The White House released a “Blueprint” for lowering prices in May 2018. In October 2017, California began requiring companies to notify regulators when they intend to raise a drug’s price by 16% or more over two years and explain why the increase is necessary. Other states have enacted measures addressing pricing transparency, importation and price-gouging.

Accordingly, pushback against high drug prices is an important risk facing pharmaceutical companies; we believe Abbvie is especially vulnerable. A 2018 Credit Suisse report highlighted Abbvie as among the companies most at risk from specialty pricing pressures in commercial insurance.³ Humira, which accounted for 65% of Abbvie’s revenues in 2017,⁴ now faces competition in Europe from biosimilars, which are expected to cost less.

In our view, robust board oversight of risks related to drug pricing would provide a valuable outside perspective and help ensure that those risks are being managed for the long term. Currently, no Board committee charter explicitly assigns responsibility for oversight of drug pricing risk, though the Public Policy Committee reviews and evaluates “Abbvie’s policies and practices with respect to social responsibility” and reviews “public policy issues that affect or could affect

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² <https://www.biopharmadive.com/news/gottlieb-rebuffs-pharma-ceo-nostrum-labs-price-hikes-moral-imperative/532194/>

³ “Global Pharmaceuticals: Scoring Sensitivity to Trump Reforms,” May 25, 2018, at 9.

⁴ <https://www.sec.gov/Archives/edgar/data/1551152/000155115218000014/abbv-20171231x10k.htm>, at 12.

Abbvie's business activities." We believe that mounting pressures justify formalizing oversight responsibility. Doing so by creating a new committee or designating an existing committee would permit additional time to be devoted to the issue without burdening all directors and could allow for more frequent communication with management.

To ensure that the relevant committee includes one or more directors with appropriate expertise, we advocate adding expertise related to drug pricing risk, such as previous work for a payer or purchaser or pharmacoeconomics expertise, to the director "skills, knowledge and experience matrix," which reflects the skills considered "most relevant to the board's oversight role."⁵

We urge shareholders to vote for this proposal.

Nortrust Nominees Ltd
50 Bank Street
Canary Wharf,
London,
E14 5NT



**NORTHERN
TRUST**

AbbVie, Inc.

Laura J. Schumacher
Corporate Secretary
Dept. V364, AP34
AbbVie, Inc.
1 North Waukegan Road
North Chicago, IL 60064

19/11/2018

Dear Laura,

This letter will certify that as of November 19th 2018, Northern Trust Corporation held for the beneficial interest of Robeco Institutional Umbrella Fund, 20,506 shares of AbbVie Inc.

We confirm that Robeco Institutional Umbrella Fund has beneficial ownership of at least \$2,000 in market value of the voting securities of AbbVie Inc and that such beneficial ownership has existed continuously for one or more years in accordance with Rule 14a-8 (a)(1) of the Securities Exchange Act of 1934.

Further, it is Robeco Institutional Umbrella Fund, intent to hold at least \$2,000 in market value through to the next annual meeting.

Please be advised, Northern Trust Corporation is a DTC participant, whose DTC number is 2669.

Please confirm safe receipt of instruction and confirm once actioned.

Should you have any questions please contact us at GFSCST@ntrs.com.

Kind regards,

C. Haren

Christine Haren
GFS Custody Servicing - EMEA

Head Office: 50 South LaSalle Street, Chicago, Illinois 60675 U.S.A.
Incorporated with limited liability in the U.S. Registered as a branch in the United Kingdom. Branch No. BR001960.
FSA Regulated

NTAC:3NS-20

November 20, 2018

VIA EMAIL AND OVERNIGHT

Mr. Peter van der Werf
Robeco
Weena 850
3014 DA Rotterdam
The Netherlands
p.van.der.werf@robeco.nl

Re: Shareholder Proposal for the AbbVie Inc. 2019 Annual Meeting

Dear Mr. van der Werf:

On November 20, 2018, AbbVie Inc. ("AbbVie") received a letter from Robeco Institutional Umbrella Fund (the "proponent") submitting a shareholder proposal pursuant to Rule 14a-8 under the Securities Exchange Act of 1935, as amended (the "Exchange Act"), for consideration at AbbVie's 2019 Annual Meeting of Stockholders.

Rule 14a-8(a) under the Securities Exchange Act allows a proponent to submit no more than one proposal for consideration at a given shareholder meeting. Your proposal constitutes two proposals: (1) "formalizing oversight responsibility," and (2) "adding drug pricing risk expertise to the director qualifications skills matrix."

The rules of the SEC require that a response to this letter, correcting all deficiencies described in this letter, be postmarked or transmitted electronically no later than 14 calendar days from the date you receive this letter.

Once we receive any response, we will be in a position to determine whether the proposal is eligible for inclusion in the proxy materials for our 2019 Annual Meeting of Shareholders. We reserve the right to seek relief from the SEC as appropriate.

Sincerely,



Emily E. Alexander

EXHIBIT C

(see attached)

THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors

The board of directors held seven meetings in 2017. All incumbent directors attended one-hundred percent of the board and committee meetings in 2017. AbbVie encourages its board members to attend the annual stockholder meeting. All of AbbVie's directors attended the 2017 annual stockholder meeting.

The board has determined that each of the following individuals is independent in accordance with the New York Stock Exchange (NYSE) listing standards: Dr. Alpern, Ms. Austin, Mr. Burnside, Mr. Hart, Mr. Liddy, Ms. Meyer, Mr. Rapp, Ms. Roberts, Mr. Tilton, and Mr. Waddell. To determine independence, the board applied the AbbVie Inc. director independence guidelines. The board also considered whether a director has any other material relationships with AbbVie or its subsidiaries and concluded that none of these directors had a relationship that impaired the director's independence. This included consideration of the fact that some of the directors are officers or serve on boards of companies or entities to which AbbVie sold products or made contributions or from which AbbVie purchased products and services during the year. This also included consideration of the fact that some of the directors serve on the board of Abbott Laboratories (Abbott), AbbVie's former parent. In making its determination, the board relied on both information provided by the directors and information developed internally by AbbVie.

The board has risk oversight responsibility for AbbVie and administers this responsibility both directly and with assistance from its committees.

The board has determined that the current leadership structure, in which the offices of chairman of the board and chief executive officer are held by one individual and the chair of the nominations and governance committee is appointed to be the lead director, ensures the appropriate level of oversight, independence, and responsibility is applied to all board decisions, including risk oversight, and is in the best interests of AbbVie and its stockholders. The lead independent director is chosen by and from the independent members of the board of directors.

The lead independent director responsibilities include:

1. facilitates communication with the board and presides over regularly conducted executive sessions of the independent directors or sessions where the chairman of the board is not present;
2. reviews and approves matters, such as agenda items, schedule sufficiency, and, where appropriate, information provided to other board members;
3. serves as the liaison between the chairman of the board and the independent directors;
4. has the authority to call meetings of the independent directors;
5. if requested by major stockholders, ensures that he or she is available for consultation and direct communication as needed; and
6. performs such other duties as the board may determine from time to time.

All directors are encouraged to, and in fact do, consult with the chairman on each of the above topics, as well. The lead director, and each of the other directors, communicates regularly with the chairman of the board and chief executive officer regarding appropriate agenda topics and other board related matters.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

AbbVie directors have backgrounds that when combined provide a portfolio of experience and knowledge that serve AbbVie's governance and strategic needs. Director nominees are considered based on a range of criteria including broad-based business knowledge and relationships, prominence and excellent reputations in their primary fields of endeavor, as well as a global business perspective and commitment to good corporate citizenship, and ability to commit sufficient time and attention to the activities of the board. They must have demonstrated experience and ability that is relevant to the board's oversight role with respect to AbbVie's business and affairs. They must also be able and willing to represent the stockholders' economic interests and satisfy their fiduciary duties to stockholders without conflicts of interest. For more details on director qualifications, please see Exhibit A to AbbVie's Governance Guidelines.

Each year, the board conducts a self-evaluation to determine whether it and its committees are functioning effectively. The full board discusses the evaluation reports to determine what, if any, action should be undertaken to improve the board and its committees.

In the process of identifying nominees to serve as a member of the board of directors, the nominations and governance committee considers the board's diversity of ethnicity, gender, and geography and assesses the effectiveness of the process in achieving that diversity.

Each director's biography includes the particular experience and qualifications that led the board to conclude that the director should serve on the board. The directors' biographies are in the section of this proxy statement captioned "Information Concerning Director Nominees."

The following table highlights our directors' skills and experience. The skills identified below are considered by the nominations and governance committee to be the most relevant to the board's oversight role with respect to AbbVie's business and affairs and to drive our culture of innovation and responsibility. The specific importance of each skill also is noted.







Such skills include, among others:

- **Healthcare Industry**—Relevant to an industry understanding and review of our business and strategy for continued innovation.
- **Leadership**—For a board that can successfully advise and oversee the company's business performance and represent stockholders interests.
- **Global Business and Strategy**—For oversight of a complex global organization like AbbVie to successfully advise and oversee the strategic development and direction of the company.
- **Corporate Governance and Public Company Board**—Ensuring directors have background and knowledge to perform oversight and governance roles.
- **Finance or Accounting**—Enabling our directors to analyze our financial statements, oversee our capital structure, and consider financial transactions.
- **Government Relations and Regulatory**—For an understanding of the complex regulatory and governmental environment in which our business operates.

Director Skills, Knowledge and Experience Matrix						
	Healthcare Industry	Leadership	Global Business and Strategy	Corporate Governance and Public Company Board	Finance or Accounting	Government Relations and Regulatory
Dr. Alpern	✓	✓	✓	✓		✓
Ms. Austin	✓	✓	✓	✓	✓	✓
Mr. Gonzalez	✓	✓	✓	✓	✓	✓
Mr. Burnside		✓	✓	✓	✓	✓
Mr. Hart		✓	✓	✓		✓
Mr. Liddy	✓	✓	✓	✓	✓	✓
Ms. Meyer		✓	✓		✓	✓
Mr. Rapp		✓	✓		✓	✓
Ms. Roberts		✓	✓	✓		✓
Mr. Tilton	✓	✓	✓	✓	✓	✓
Mr. Waddell		✓	✓	✓	✓	✓

Committees of the Board of Directors

The board of directors has five committees established in AbbVie's By-Laws: the audit committee, compensation committee, nominations and governance committee, public policy committee, and executive committee. Each of the members of the audit committee, compensation committee, nominations and governance committee, and public policy committee is independent. Mr. Tilton serves as AbbVie's lead independent director.

	Audit Committee	Compensation Committee	Nominations and Governance Committee	Public Policy Committee
R. Alpern			Member	Member
R. Austin 	Chairperson	Member		
W. Burnside	Member		Member	
B. Hart			Member	Member
E. Liddy		Chairperson		Member
M. Meyer	Member			Member
E. Rapp	Member			Chairperson
G. Tilton 		Member	Chairperson	
F. Waddell	Member	Member		
Number of meetings	6	3	4	4
	 Lead Director	 Chairperson	 Member	 Financial Expert

THE BOARD OF DIRECTORS AND ITS COMMITTEES

Audit Committee

The audit committee is governed by a written charter. This committee assists the board of directors in fulfilling its oversight responsibility with respect to AbbVie's accounting and financial reporting practices and the audit process, the quality and integrity of AbbVie's financial statements, the independent auditors' qualifications, independence, and performance, the performance of AbbVie's internal audit function and internal auditors, certain areas of legal and regulatory compliance, and enterprise risk management. Each of the members of the audit committee is financially literate, as required of audit committee members by the NYSE, and the independence requirements set forth in Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The board of directors has determined that Ms. Austin, the committee's chairperson, is an "audit committee financial expert."

Compensation Committee

The compensation committee is governed by a written charter. This committee assists the board of directors in carrying out the board's responsibilities relating to the compensation of AbbVie's executive officers and directors. The compensation committee annually reviews the compensation paid to the directors and gives its recommendations to the full board regarding both the amount of director compensation that should be paid and the allocation of that compensation between equity-based awards and cash. In recommending director compensation, the compensation committee takes into account director fees paid by companies in AbbVie's Health Care Peer Group and reviews any arrangement that could be viewed as indirect director compensation. The processes and procedures used for the consideration and determination of executive compensation are described in the "Compensation Discussion and Analysis" section of this proxy statement. The committee also reviews, approves, and administers the incentive compensation plans in which the AbbVie executive officers participate and all of AbbVie's equity-based plans. It may delegate the responsibility to administer and make grants under these plans to management, except to the extent that such delegation would be inconsistent with applicable law or regulations or with the listing rules of the New York Stock Exchange. The compensation committee has the sole authority, under its charter, to select, retain and/or terminate independent advisors who may assist the committee in carrying out its responsibilities. The compensation committee reviews and discusses with management and its independent compensation advisor potential risks associated with AbbVie's compensation policies and practices as discussed in the "Compensation Risk Assessment" section of this proxy statement. Each member of the committee qualifies as a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act and as an "outside director" for purposes of Internal Revenue Code Section 162(m).

The committee has engaged Compensation Advisory Partners (CAP) as its independent compensation consultant. The independent compensation consultant provides counsel and advice to the committee on executive and non-employee director compensation matters. CAP, and its principal, report directly to the chair of the committee. The principal meets regularly, and as needed, with the committee in executive sessions, and has direct access to the committee chair during and between meetings. The committee determines what variables it will instruct CAP to consider, including: peer groups against which performance and pay should be examined, metrics to be used in incentive plans to assess AbbVie's performance, competitive short- and long-term incentive practices in the marketplace, and compensation levels relative to market benchmarks. The committee negotiates and approves all fees paid to CAP for these services. AbbVie did not engage CAP to perform any other services during 2017.

Based on an assessment of internally developed information and information provided by CAP, the committee has determined that its independent compensation advisor does not have a conflict of interest. A copy of the compensation committee report is included in the "Compensation Committee Report" section of this proxy statement.

Nominations and Governance Committee

The nominations and governance committee is governed by a written charter. This committee assists the board of directors in identifying individuals qualified to become board members and recommends to the board the nominees for election as directors at the next annual meeting of stockholders, recommends to the board the persons to be elected as executive officers of AbbVie, recommends to the board the corporate governance guidelines applicable to AbbVie, oversees the evaluation of the board and management, and serves in an advisory capacity to the board and the

chairman of the board on matters of organization, management succession plans, major changes in the organizational structure of AbbVie, and the conduct of board activities. The process used by this committee to identify a nominee to serve as a member of the board of directors depends on the qualities being sought, as described on pages 16-17. From time to time, AbbVie engages an executive search firm to assist the committee in identifying individuals qualified to be board members.

Public Policy Committee

The public policy committee is governed by a written charter. This committee assists the board of directors in fulfilling its oversight responsibility with respect to AbbVie's public policy, certain areas of legal and regulatory compliance, governmental affairs, health care compliance, and social responsibility and environmental matters that affect or could affect AbbVie by discharging the responsibilities set forth in its charter.

Executive Committee

The executive committee members are Mr. Gonzalez, chair, Ms. Austin, Mr. Liddy, Mr. Rapp, and Mr. Tilton. This committee may exercise all of the authority of the board in the management of AbbVie, except for matters expressly reserved by law for board action.

Communicating with the Board of Directors

Stockholders and other interested parties may communicate with the board of directors by writing a letter to the chairman of the board, to the lead director, or to the independent directors c/o AbbVie Inc., 1 North Waukegan Road, AP34, North Chicago, Illinois 60064, Attention: corporate secretary. The corporate secretary regularly forwards to the addressee all letters other than mass mailings, advertisements, and other materials not relevant to AbbVie's business. In addition, directors regularly receive a log of all correspondence received by the company that is addressed to a member of the board and may request any correspondence on that log.

EXHIBIT D

(see attached)

AbbVie Inc.
Public Policy Committee Charter

1. *Purpose.* The Public Policy Committee of the Board of Directors shall assist the Board in fulfilling its oversight responsibility with respect to: public policy, regulatory (including regulation by the U.S. Food and Drug Administration, as well as other domestic, foreign and international regulatory bodies) and government affairs and healthcare compliance issues that affect AbbVie (recognizing that other board committees assist the Board of Directors in reviewing certain areas of legal and regulatory compliance), by discharging the responsibilities set forth below.
2. *Qualifications; Organization.* All members of the Public Policy Committee must satisfy the independence requirements of the New York Stock Exchange, as such requirements are interpreted by the Board in its business judgment. AbbVie's Board shall appoint, and may remove, members of the Public Policy Committee and the Committee's Chairman, after receiving the recommendation of AbbVie's Nominations and Governance Committee.
3. *Authority and Responsibilities.* To assist it in the conduct of its responsibilities, the Public Policy Committee shall consult with management and, to the extent it deems it necessary or appropriate, may seek advice and assistance from AbbVie employees or others, and may retain legal counsel and other advisors.

The Public Policy Committee shall report to the Board on a regular basis.

The Public Policy Committee may delegate any of its responsibilities and duties to one or more members of the Public Policy Committee.

The Committee will meet formally at least four times each year.

The Public Policy Committee shall:

- Review the Company's compliance program with respect to legal and regulatory requirements (including, but not limited to, policies related to healthcare compliance, product quality, environmental regulations, employee health & safety and compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended) except with respect to matters of financial compliance which are the responsibility of the Audit Committee.
- Devise a process for the dissemination of information to the Committee from management with respect to regulatory and healthcare compliance matters, including, as appropriate, presentations to the Committee from management concerning the state of regulatory compliance and all issues

with respect thereto.

- Receive reports from the Chief Ethics and Compliance Officer on a regular basis.
 - Review compliance with any ongoing Corporate Integrity Agreement or similar undertakings by the Company with the U.S. Department of Health and Human Services, U.S. Department of Justice, U.S. Securities and Exchange Commission, U.S. Food and Drug Administration, or any other government agency.
 - Review and evaluate AbbVie's policies and practices with respect to social responsibility, and review them with the Board as appropriate.
 - Review social, political, economic and environmental trends and public policy issues that affect or could affect AbbVie's business activities, performance, and public image, and review them with the Board as appropriate.
 - Review the Company's government affairs strategies and priorities, including policies for political expenditures and lobbying activities.
 - Review and make recommendations to the Board regarding shareholder proposals submitted for inclusion in AbbVie's proxy materials.
4. *Annual Performance Evaluation.* The Public Policy Committee shall review and assess the adequacy of its Charter annually and recommend any proposed changes to the Board for approval. It shall also conduct an annual evaluation of its own performance.