



DIVISION OF
CORPORATION FINANCE

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

February 28, 2019

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

Re: AbbVie Inc.
Incoming letter dated December 21, 2018

Dear Mr. Gerber:

This letter is in response to your correspondence dated December 21, 2018 and February 15, 2019 concerning the shareholder proposal (the "Proposal") submitted to AbbVie Inc. (the "Company") by United Church Funds et al. (the "Proponents") for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from the Proponents dated February 5, 2019. Copies of all of the correspondence on which this response is based 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,

M. Hughes Bates
Special Counsel

Enclosure

cc: Kathryn McCloskey
United Church Funds
katie.mccloskey@ucfunds.org

February 28, 2019

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: AbbVie Inc.
Incoming letter dated December 21, 2018

The Proposal urges the compensation and benefits committee to report annually on the extent to which risks related to public concern over drug pricing strategies are integrated into the Company's incentive compensation policies, plans and programs for senior executives.

We are unable to concur in your view that the Company may exclude the Proposal under rule 14a-8(i)(7). In our view, the Proposal, which seeks disclosure on the extent to which certain risks are integrated into senior executive compensation decisions, transcends ordinary business matters because it focuses on the performance measures used to determine awards for senior executives and on the Company's drug pricing strategy, which appear to be significant issues for the Company. We are also unable to conclude that the Proposal micromanages the Company to such a degree that exclusion of the Proposal would be appropriate. Accordingly, we do not believe that the Company may omit the Proposal from its proxy materials in reliance on rule 14a-8(i)(7).

Sincerely,

Courtney Haseley
Special Counsel

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)

February 15, 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. – 2019 Annual Meeting
Supplement to Letter dated December 21, 2018
Relating to Shareholder Proposal of
United Church Funds and co-filers¹

Ladies and Gentlemen:

We refer to our letter dated December 21, 2018 (the “No-Action Request”), submitted on behalf of our client, AbbVie Inc. (“AbbVie”), pursuant to which we requested that the Staff of the Division of Corporation Finance (the “Staff”) of the U.S. Securities and Exchange Commission (the “Commission”) concur with AbbVie’s view that the shareholder proposal and supporting statement (the “Proposal”) submitted by United Church Funds and co-filers may be excluded from the proxy materials to be distributed by AbbVie in connection with its 2019 annual meeting of shareholders (the “2019 proxy materials”). United Church Funds and the co-filers are sometimes referred to collectively as the “Proponents.”

¹ The following shareholders have co-filed the Proposal: Bon Secours Mercy Health, The Sisters of Charity of Saint Elizabeth, The Sisters of Providence, Mother Joseph Province and Trinity Health.

This letter is in response to the letter to the Staff, dated February 5, 2019, submitted by United Church Funds on behalf of the Proponents (the “Proponents’ Letter”), and supplements the No-Action Request. In accordance with Rule 14a-8(j), a copy of this letter also is being sent to the Proponents.

I. The Proposal Deals with Matters Relating to the Company’s Ordinary Business Operations.

The Proponents’ Letter seeks to recharacterize the Proposal and the arguments set forth in the No-Action Request and misconstrues the Staff’s guidance set forth in Staff Legal Bulletin No. 14J (Oct. 23, 2018) (“SLB 14J”). As described below and in the No-Action Request, because the Proposal deals with matters relating to AbbVie’s ordinary business operations, the Proposal is excludable pursuant to Rule 14a-8(i)(7).

As described in the No-Action Request, we believe the Proposal is excludable as relating to ordinary business matters because the Proposal focuses on AbbVie’s product pricing decisions and its response to risks from regulatory and public pressures relating to its pricing policies, despite implicating compensation matters. Moreover, to the extent the Proposal relates to compensation matters, the Proposal addresses aspects of senior executive compensation that are also available or applicable to the general workforce.

The Proponents’ Letter addresses the compensation aspect of ordinary business. The premise of the Proponents’ Letter is that the No-Action Request fails to account for the processes underlying senior executive incentive compensation plans and ignores the differences between those processes for senior executives and general employees. The Proponents’ Letter recounts passages from AbbVie’s proxy statement describing aspects of compensation arrangements and policies with respect to named executive officers, and then recounts the academic and public debate regarding incentive compensation. The pertinent question, however, is not whether there are processes relating to executive compensation that vary from processes applicable to compensation for the general workforce – of course there are. Rather, as described in SLB 14J, the pertinent inquiry is whether the Proposal focuses on aspects of compensation available to a wide swath of the employee population rather than focusing on aspects of compensation available only to senior executives (and directors). As described in the No-Action Request, the incentive compensation arrangements that are the focus of the Proposal include arrangements in which over 14,000 AbbVie employees participate. Moreover, the Proponents’ Letter highlights an additional aspect of relevant incentive compensation that is similarly widely

available to AbbVie's general workforce – AbbVie's long-term incentive compensation ("LTI") plan. Awards under AbbVie's LTI plan are available to managers and above, a group that includes approximately 9,000 employees.

In addition, despite the Proponents' contention, the No-Action Request does not elevate any particular form of compensation (*e.g.*, the AbbVie Incentive Plan and short-term cash bonus plans) over substance. Instead, the No-Action Request focuses on incentive compensation programs generally, and the incentive compensation targeted by the Proposal applies to a wide swath of AbbVie's employee population.

The Proponents' Letter also argues that the No-Action Request fails to address whether the eligibility of senior executives to receive the incentive compensation at issue in the Proposal otherwise implicates significant compensation matters. The No-Action Request already addresses this by describing the fact that the compensation targeted by the Proposal is broadly available to a significant portion of AbbVie's workforce and, therefore, does not implicate significant compensation matters. This aligns with the Staff's guidance in SLB 14J, which states that "the availability of certain forms of compensation to senior executives ... that are also broadly available or applicable to the general workforce does not generally raise significant compensation issues that transcend ordinary business matters" and, further, that "it is difficult to conclude that a proposal does not relate to a company's ordinary business when it addresses aspects of compensation that are broadly available or applicable to a company's general workforce, even when the proposal is framed in terms of the senior executives and/or directors." Moreover, the Staff provided an example that is directly applicable to the instant situation: "a proposal that seeks to limit when senior executive officers will receive golden parachutes may be excludable under Rule 14a-8(i)(7) if the company's golden parachute provision broadly applies to a significant portion of its general workforce." Like that example, the incentive compensation that is the focus of the Proposal applies to over 14,000 AbbVie employees, a significant portion of AbbVie's general workforce. Accordingly, as demonstrated in the No-Action Request, the Proposal is excludable under Rule 14a-8(i)(7).

II. Conclusion

For the reasons stated above and in the No-Action Request, AbbVie respectfully requests that the Staff concur that it will take no action if AbbVie excludes the Proposal from the 2019 proxy materials.

Office of Chief Counsel
February 15, 2019
Page 4

Should the Staff disagree with the conclusions set forth in this letter, or should any additional information be desired in support of AbbVie'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

Marc S. Gerber

1HG

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

Kathryn McCloskey
Director, Social Responsibility
United Church Funds

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

Jennifer Hall
Provincial Treasurer
Sisters of Providence, Mother Joseph Province



February 5, 2019

Via e-mail at shareholderproposals@sec.gov

Securities and Exchange Commission
Office of the Chief Counsel
Division of Corporation Finance
100 F Street, NE
Washington, DC 20549

Re: Request by AbbVie Inc. to omit proposal submitted by United Church Funds and co-filers

Ladies and Gentlemen,

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, United Church Funds and five co-filers (the "Proponents") submitted a shareholder proposal (the "Proposal") to AbbVie Inc. ("AbbVie" or the "Company"). The Proposal asks AbbVie's board to report to shareholders on the extent to which risks related to public concerns over drug pricing strategies are reflected in senior executive incentive compensation arrangements.

In a letter to the Division dated December 21, 2018 (the "No-Action Request"), AbbVie stated that it intends to omit the Proposal from its proxy materials to be distributed to shareholders in connection with the Company's 2019 annual meeting of shareholders. AbbVie argues that it is entitled to exclude the Proposal in reliance on Rule 14a-8(i)(7), on the ground that the Proposal deals with AbbVie's ordinary business operations. As discussed more fully below, AbbVie has not met its burden of proving its entitlement to exclude the Proposal on that basis, and the Proponents respectfully request that AbbVie's request for relief be denied.

The Proposal

The Proposal states:

RESOLVED, that shareholders of AbbVie Inc. (“AbbVie”) urge the Compensation Committee (the “Committee”) to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into AbbVie’s incentive compensation policies, plans and programs (“arrangements”) for senior executives. The report should include, but need not be limited to, discussion of whether (i) incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding the level or rate of increase in prescription drug prices; and (ii) such concern is considered when setting financial targets for financial metrics.

Background

Rule 14a-8(i)(7) permits a company to omit a proposal that “deals with a matter relating to the company’s ordinary business operations.” Last season, several companies, including AbbVie, challenged proposals substantially similar to the Proposal on ordinary business grounds. The companies argued that the “thrust and focus” of the proposal was drug pricing or disclosure regarding pricing strategies rather than senior executive compensation. The Staff declined to allow exclusion.¹

In October 2018, the Division clarified its views regarding certain shareholder proposals on senior executive compensation in Staff Legal Bulletin 14J (“SLB 14J”).² SLB 14J states that “[t]he Division believes that a proposal that addresses senior executive and/or director compensation may be excludable under Rule 14a-8(i)(7) if a primary aspect of the targeted compensation is broadly available or applicable to a company’s general workforce and the company demonstrates that the executives’ or directors’ eligibility to receive the compensation does not implicate significant compensation matters” (emphasis added).³

AbbVie invokes SLB 14J, urging that “the incentive compensation that is the subject of the request is broadly applicable to the Company’s workforce.”³ AbbVie also urges that the Proposal would micromanage the Company. AbbVie has not met its burden of proving that the Proposal is excludable on ordinary business grounds and the Proponents respectfully request that its request for relief be denied.

¹ Eli Lilly and Company (Mar. 2, 2018); AbbVie Inc. (Mar. 14, 2018); Bristol-Myers Squibb Company (Mar. 16, 2018); Biogen, Inc. (Mar. 16, 2018).

² Staff Legal Bulletin 14J (Oct. 23, 2018).

³ No-Action Request, at 5.

The Specific Incentive Compensation Arrangements Applicable to Senior Executives Should Be Considered the “Primary Aspect” of Compensation Targeted by the Proposal, Not the Plan or Program Under Which Both Senior Executives and Others Are Eligible to Receive Incentive Pay

AbbVie asserts that both the AbbVie Incentive Plan (“AIP”), in which 14,000 of the Company’s employees participate, and the senior executive short-term cash bonus plan, in which 40 employees participate, use financial performance metrics and would be affected by the Proposal. As a result, AbbVie claims, “the incentive compensation targeted by the Proposal is broadly available to a significant portion of the Company’s employees.”⁴ AbbVie’s argument implies that the “primary aspect of compensation”⁵ addressed by the Proposal, within the meaning of SLB 14J, is the form that pay takes. That claim is unpersuasive for four reasons:

1. The arrangements to which the Proposal applies are not limited to bonuses or financial performance metrics. In addition to annual bonuses, senior executives receive long-term incentive (“LTI”) compensation in the form of stock options and performance-based awards. In 2017, approximately two-thirds of AbbVie’s named executive officers’ (“NEOs”) total direct compensation consisted of LTI compensation.⁶ AbbVie uses LTI compensation for purposes that are arguably relevant to the Proposal; LTI compensation “focuses NEOs on longer-term operating performance and aligns NEOs with stockholder interests.”⁷ The No-Action Request does not discuss arrangements related to LTI compensation for senior executives or other employees.

As well, the Proposal encompasses arrangements that do not involve financial metrics. For example, a company could include adherence to a previously-made pricing commitment in the individual performance evaluations for one or more senior executives, or it might regard vesting periods or other terms of equity awards as promoting a long-term approach to pricing. A compensation committee’s authority to recoup incentive compensation in the event of a violation of misconduct, as AbbVie’s Committee enjoys, could be considered a reflection of public concern over drug pricing. Thus, the “primary aspect” of compensation targeted by the Proposal is far broader than the bonus programs to which AbbVie points.

2. Many aspects of the incentive compensation arrangements for AbbVie’s senior executives differ significantly from those available to other employees, even

⁴ No-Action Request, at 5.

⁵ AbbVie did not use the phrase “primary aspect,” but its argument depends on a conclusion that the primary aspect is the same as the general form of compensation.

⁶ 2018 Proxy Statement, at 42.

⁷ 2018 Proxy Statement, at 42.

when they use the same form or type of compensation. The Proponents submitted the Proposal to AbbVie because we believe shareholders would benefit from a fuller understanding of whether senior executive incentive compensation arrangements reward price increases, or discourage policies of price restraint, both of which can boost short-term performance, even though long-term success likely depends on pricing moderation.

Individual incentive pay arrangements can be significant on their own, but they also interact with each other; for instance, a company's use of revenue as a metric for the annual bonus may be offset to some extent by the use of metrics more closely related to long-term value creation, such as the achievement of research and development goals, in a long-term incentive plan. As well, policies like clawbacks can apply across incentive pay programs. Accordingly, the Proposal seeks disclosure on senior executive incentive compensation arrangements, without reference to a particular plan or program.

AbbVie's proxy statement indicates that there are important differences between senior executive bonuses and those paid to other employees. The Committee determines NEO compensation, including annual incentive awards, but does not set pay for lower-level employees. The factors considered by the Committee include competitive benchmarking, "individual performance, leadership, and contributions to AbbVie's business and strategic performance."⁸ By definition, the latter two criteria are unlikely to influence the amount of compensation paid to employees further down in the organization. Nor are data available to benchmark lower-level employees' pay. NEOs' bonuses are limited to 200% of the target amount,⁹ but there is no mention of a limit on other employees' bonuses.

Incentive pay arrangements for senior executives—the subject of the Proposal—thus share few features with arrangements for lower-level employees, even when one form of compensation is the same. AbbVie identifies no similarities between the AIP and senior executive short-term cash bonus plan other than their use of financial metrics, and the No-Action Request is silent on equity-based compensation, which is covered by the Proposal. As a result, it is unreasonable to conclude that the primary aspect of the compensation targeted by the Proposal is available or applicable to lower-level employees.

3. The societal debate over top executive pay, which focuses on amount and design considerations rather than simply the form in which pay is delivered, also undermines AbbVie's suggested interpretation of SLB 14J. Senior executive compensation has been widely studied and has been the subject of intense interest from investors, regulators and the general public for decades. Attention sometimes focuses on the absolute amount of pay, especially in the general media, but in the

⁸ 2018 Proxy Statement, at 33-34.

⁹ 2018 Proxy Statement, at 42.

main, senior executive compensation draws academic, investor and regulator interest because the way it is designed can significantly affect corporate performance and behavior.

Top executives' control over the business makes it especially important to design their incentive compensation in a way that promotes value-maximizing and responsible behavior.¹⁰ Senior executive compensation arrangements can encourage irresponsible or unlawful conduct, with adverse societal consequences. The most high-profile example comes from the 2008-2009 financial crisis, which led Congress, regulators and academics to scrutinize top executive incentive pay practices at financial institutions.¹¹ Certain practices, such as large cash bonuses driven by short-term operational results, were viewed as contributing to excessive risk-taking, which, in turn, led to recession.¹²

The negative effects of poorly-designed incentives for top executives do not stem from the use of a particular form of compensation, but rather from the pay mix, vesting and holding rules, executive share/option ownership profile and specific performance metrics and targets used to determine compensation amounts. Two senior executives receiving the same forms of pay can be influenced to behave differently by these factors.

Allowing AbbVie to exclude a proposal explicitly limited to senior executive incentive compensation because one form of such compensation is also available to lower-level employees would ignore what matters to shareholders about executive pay. Shareholders should be able to communicate with one another and with company boards about whether top executive pay, whatever the form, is appropriately tailored to foster long-term value creation. The Proposal does just that; it asks whether and how incentive pay arrangements encourage senior executives to adopt a long-term perspective on revenue generation and pricing.

4. Allowing omission if a proposal addresses a form of compensation available beyond the senior executive ranks, even if the proposal itself is explicitly limited to

¹⁰ See Alex Edmans et al., "Executive Compensation: A Survey of Theory and Evidence," at 6 (2017) ("CEOs can have a much larger impact on firm value than rank-and-file employees, which can fundamentally change the nature of the optimal contract.").

¹¹ E.g., Hearing Before the Subcommittee on Financial Institutions and Consumer Protection of the Senate Committee on Banking, Housing and Urban Affairs, "Pay for Performance: Incentive Compensation at Large Financial Institutions," Feb. 15, 2012; Speech of Chairman Ben. S. Bernanke, "Lessons of the Financial Crisis for Banking Supervision," Federal Reserve Bank of Chicago Conference on Bank Structure and Competition, May 7, 2009 ("Certainly, an important lesson of the [financial] crisis is that the structure of compensation and its effect on incentives for risk-taking is a safety-and-soundness issue.").

¹² See, e.g., Lucian Bebchuk & Jesse Fried, "Paying for Long-Term Performance," 158 U. Penn. L. Rev. 1915, 1917 (2010) ("The crisis of 2008–2009 has led to widespread recognition that pay arrangements that reward executives for short-term results can produce incentives to take excessive risks.").

senior executives, would result in exclusion of a substantial proportion of proposals on senior executive pay. The U.S. Proxy Voting Guidelines of Institutional Shareholder Services (“ISS”), the largest proxy advisory firm, describe 21 types of shareholder proposals on executive pay.¹³ Ten of those proposal types address or implicate annual bonuses, by themselves or in combination with equity-based compensation; four additional types request reforms to equity-based compensation; and one type deals with supplemental executive retirement plans (“SERPs”), for a total of 15 of the 21 proposal types.

Bonuses, equity-based pay and SERPs are often available to employees below the senior executive level.

- A 2013 survey by World at Work and Deloitte Consulting found that 97% of responding public companies included exempt salaried employees in their annual incentive or bonus plans. Over half of respondents included non-exempt salaried and non-exempt unionized employees.¹⁴
- Of respondents to the world at Work/Deloitte Consulting Survey whose LTI compensation programs awarded restricted stock, 61% extended eligibility to exempt salaried employees, and exempt salaried employees were eligible to receive stock options at 47% of companies whose LTI compensation programs awarded stock options.¹⁵
- A 2017 Prudential Retirement survey found that 38% of respondents offered non-qualified executive retirement benefits (a category that includes both defined contribution and defined benefit SERPs as well as voluntary non-qualified defined contribution plans) to employees making \$115,000 to \$124,999 annually, and 29% offered those benefits to employees making between \$125,000 and \$175,000 per year, far below the compensation of senior executives.¹⁶

Barring most proposals on senior executive pay would be inconsistent with the Commission’s long-standing approach to the ordinary business exclusion and would lead to an inefficient outcome. Shareholder proposals have spurred better tailoring of senior executive pay to promote value maximization and responsible behavior, including adoption of indexed/performance vesting options, clawbacks and

¹³ ISS 2018 United States Proxy Voting Guidelines, at 48-52 (Jan. 4, 2018) (available at <https://www.issgovernance.com/file/policy/active/americas/US-Voting-Guidelines.pdf>).

¹⁴ World at Work and Deloitte Consulting LLP, “Incentive Pay Practices Survey: Publicly Traded Companies,” at 15 (Feb. 2014) (available at <https://www.worldatwork.org/docs/research-and-surveys/survey-brief-incentive-pay-practices-survey-publicly-traded-companies.pdf>).

¹⁵ World at Work and Deloitte Consulting LLP, “Incentive Pay Practices Survey: Publicly Traded Companies,” at 31 (Feb. 2014) (available at <https://www.worldatwork.org/docs/research-and-surveys/survey-brief-incentive-pay-practices-survey-publicly-traded-companies.pdf>).

¹⁶ Prudential/PLANSPONSOR, “2017 Executive Benefit Survey,” at 5 (available at <https://www.prudential.com/media/managed/documents/rp/Executive-Benefit-Survey-Results-Report.pdf>).

limits on severance benefits. Several executive pay reforms incorporated into legislation or regulation, such as compensation consultant independence disclosure and “say on pay,” were originally suggested in shareholder proposals.

Research suggests that shareholder input on top executive pay can be value-enhancing. A 2016 study analyzed companies where shareholder proposals asking for shareholder say on pay passed from 2006-2010, before say on pay become mandatory through federal legislation. They found that market value, profitability and productivity improved by 5% in companies where say on pay proposals passed.¹⁷ In another study, companies that simply received a shareholder proposal on executive pay increased CEO pay by, on average, only 2% the following year, whereas similarly sized firms in the same industry raised total compensation by over 22% in that year.¹⁸

AbbVie Does Not Address the Second Prong of the SLB 14J Test, Whether its Senior Executives’ Eligibility to Receive the Compensation Targeted by the Proposal “Implicate[s] Significant Compensation Matters”

SLB 14J permits exclusion only if the company meets its burden of showing that both:

- A primary aspect of the targeted compensation is broadly available or applicable to a company’s general workforce, and
- The executives’ or directors’ eligibility to receive the compensation does not implicate significant compensation matters.

AbbVie has made no argument on the second part of the test. The Division has not defined “significant compensation matters,” but it would be logical to conclude that senior executives’ eligibility to receive incentive pay implicates significant compensation matters, given that incentive compensation accounts for a substantial proportion of total pay. For example, 72% of CEO Richard Gonzalez’s 2017 total compensation, as disclosed in the summary compensation table, consisted of stock awards, stock option awards and non-equity incentive plan (bonus) compensation.¹⁹ The target pay mix for Mr. Gonzalez for 2017—of which 91% was variable--emphasized incentive pay even more.²⁰

Equity-based compensation can substantially dilute shareholders’ ownership stakes. The Division recognized that such dilution qualifies as a significant policy

¹⁷ Vicente Cunat et al., “Say Pays! Shareholder Voice and Firm Performance,” Review of Finance, Vol. 20, Issue 5, 1799-1834 (2016).

¹⁸ Randall S. Thomas & Kenneth J. Martin, “The Effect of Shareholder Proposals on Executive Compensation,” at 87 (1999) (available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=160188&download=yes).

¹⁹ 2018 Proxy Statement, at 43.

²⁰ 2018 Proxy Statement, at 35.

issue in Staff Legal Bulletin 14A,²¹ which reversed an earlier position and stated that a proposal regarding shareholder approval of equity plans that may be used to compensate senior executives and the general workforce and that could result in material to dilution to shareholders is not excludable on ordinary business grounds. Accordingly, AbbVie has not met its burden of showing that senior executives' eligibility to receive incentive compensation or bonuses does not implicate significant compensation matters.

* * *

AbbVie's claim that the Proposal is excludable because it involves forms of senior executive incentive pay also available to lower-level employees should be rejected. What's most important about senior executive incentive pay for shareholders is how effectively it encourages the creation of long-term value. That question is not answered simply by reference to the form in which the pay is delivered. Finally, shareholder proposals on senior executive pay have made valuable contributions by allowing shareholders to express their views and engage with companies; allowing exclusion of a substantial majority of such proposals would thus be undesirable from a public policy standpoint.

As Shareholders Are Capable of Understanding Compensation Disclosure and the Proposal Does Not Involve Intricate Detail or Ask AbbVie to Implement a Complex Policy, the Proposal Would Not Micromanage AbbVie

In SLB 14J, the Division explained that “proposals addressing senior executive and/or director compensation that seek intricate detail, or seek to impose specific timeframes or methods for implementing complex policies can be excluded under Rule 14a-8(i)(7) on the basis of micromanagement.”²² AbbVie claims that the Proposal would micromanage the Company because it would “engag[e] shareholders in matters that involve intricate detail.”²³

There is a difference, however, between a proposal that itself involves intricate detail and a proposal requesting disclosure of some kind about a subject that involves intricate detail. The latter concept appears nowhere in a Commission release or a Staff Legal Bulletin or other guidance from the Division. The Commission's language from the 1998 release is clear: micromanagement “may come into play . . . where *the proposal* involves intricate detail.” (emphasis added)

²¹ Staff Legal Bulletin 14A (July 12, 2002).

²² Staff Legal Bulletin 14J (Oct. 23, 2018).

²³ No-Action Request, at 6.

AbbVie's arguments on this point seem to be aimed at a different proposal, one that requests information on drug pricing or changes in AbbVie's incentive compensation programs for the general workforce:

The Proposal's request for reports on the relationship between incentive compensation and pharmaceutical pricing risks would delve into product pricing decisions, which are highly complex and involve intricate details. . . . The factors underlying pricing can vary by product, region and country. . . . Moreover, the substance of the Proposal's request relates to board level risk management and implicates compensation decisions for thousands of employees.²⁴

A report on specific pricing decisions, however, would not implement the Proposal, as the impact of drug pricing risk can be discussed without describing individual drug prices or the factors that go into product pricing decisions. Nor would changes to or disclosure regarding non-senior executive compensation. Accurately characterized, the Proposal cannot be said to seek "intricate detail." By focusing on disclosure rather than a specific reform, the Proposal does not try to "implement[] complex policies," in the language of SLB 14J, much less impose a specific timeframe or method.

Underlying the micromanagement doctrine is the Commission's belief that companies should not be required to disclose "matters of a complex nature upon which shareholders, as a group, [are] not in . . . a position to make an informed judgment."²⁵ The ways in which senior executive compensation arrangements take into account a particular business challenge are not foreign to shareholders. Shareholders regularly consider proxy statement disclosure explaining the link between strategic objectives or aspects of the business environment and executive compensation arrangements when casting votes on ballot items. That disclosure may describe factors related to external pressures or risks. For instance, in its statement in opposition to a 2017 shareholder proposal on reserve-related compensation metrics, ConocoPhillips explained how climate change scenario planning and progress on low-carbon objectives were reflected in senior executive compensation arrangements.²⁶

AbbVie's arguments that the Proposal seeks intricate detail about product pricing and thus would micromanage AbbVie are unconvincing. The disclosure requested in the Proposal closely resembles the kinds of disclosure about senior executive pay that shareholders regularly evaluate, and shareholders would thus be "in a position to make an informed judgment" about it.

²⁴ No-Action Request, at 6.

²⁵ Exchange Act Release No. 40018, "Amendments to Rules on Shareholder Proposals" (May 21, 1998).

²⁶ See Proxy Statement of ConocoPhillips filed on Apr. 3, 2017, at 86.

* * *

For the reasons set forth above, AbbVie has not satisfied its burden of showing that it is entitled to omit the Proposal in reliance on Rule 14a-8(i)(7). The Proponents thus respectfully request that AbbVie's request for relief be denied.

The Proponents appreciate the opportunity to be of assistance in this matter. If you have any questions or need additional information, please contact me at (212) 729-2608.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. McCloskey', with a long horizontal flourish extending to the right.

Kathryn McCloskey
Director, Social Responsibility

cc: Marc Gerber, Esq.
Skadden, Arps, Slate, Meagher & Flom, LLP
Marc.Gerber@skadden.com

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

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DIRECT DIAL
202-371-7233
DIRECT FAX
202-661-8280
EMAIL ADDRESS
MARC.GERBER@SKADDEN.COM

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
United Church Funds 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 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 United Church Funds 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”). United Church Funds and the co-filers are sometimes referred to collectively as the “Proponents.”

¹ The following shareholders have co-filed the Proposal: Bon Secours Mercy Health, The Sisters of Charity of Saint Elizabeth, The Sisters of Providence, Mother Joseph Province and Trinity Health.

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 Company.

I. The Proposal

The text of the resolution contained in the Proposal is set forth below:

RESOLVED, that shareholders of AbbVie Inc. (“AbbVie”) urge the Compensation Committee (the “Committee”) to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into AbbVie’s incentive compensation policies, plans and programs (together, “arrangements”) for senior executives. The report should include, but need not be limited to, discussion of whether (i) incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding the level or rate of increase in prescription drug prices; and (ii) such concern is considered when setting financial targets for incentive compensation arrangements.

II. Basis for Exclusion

We hereby respectfully request that the Staff concur with the Company’s view that the Proposal may be excluded from the 2019 proxy materials pursuant to Rule 14a-8(i)(7) because the Proposal deals with matters relating to the Company’s ordinary business operations.

III. Background

The Company received the Proposal, accompanied by a cover letter from the United Church Funds, on November 13, 2018. On November 19, 2018, the Company sent a letter to the United Church Funds via email and overnight delivery requesting a written statement verifying that United Church Funds owned the requisite number of shares of Company common stock for at least one year as of November 8, 2018, the date the Proposal was submitted to the Company (the “Deficiency Letter”). On

November 26, 2018, the Company received a letter from BNY Mellon verifying the United Church Funds' stock ownership in the Company (the "Broker Letter"). Copies of the Proposal, cover letter, Deficiency Letter, Broker Letter and related correspondence are attached hereto as Exhibit A. In addition, the co-filers' submissions are attached hereto as Exhibit B.

IV. 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. As the Commission has explained, a proposal may probe too deeply into matters of a complex nature if it "involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." *See* 1998 Release.

The Commission has stated that a proposal requesting the dissemination of a report is excludable under Rule 14a-8(i)(7) if the substance of the proposal involves a matter of ordinary business of the company. *See* Exchange Act Release No. 34-20091 (Aug. 16, 1983) (the "1983 Release") ("[T]he 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, e.g., 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 these principles, the Staff consistently has permitted exclusion of shareholder proposals under Rule 14a-8(i)(7) primarily relating to employee compensation and benefits, even when the proposal was couched in terms of executive compensation. *See, e.g., Delta Air Lines, Inc.* (Mar. 27, 2012) (permitting exclusion under Rule 14a-8(i)(7) of a proposal requesting that the board prohibit payment of incentive compensation to executive officers unless the company first adopts a process to fund the retirement accounts of its pilots, noting that "although the proposal mentions executive compensation, the thrust and focus of the proposal is on

the ordinary business matter of employee benefits”); *Exelon Corp.* (Feb. 21, 2007) (permitting exclusion under Rule 14a-8(i)(7) of a proposal seeking to prohibit bonus payments to executives to the extent performance goals were achieved through a reduction in retiree benefits, noting that “although the proposal mentions executive compensation, the thrust and focus of the proposal is on the ordinary business matter of general employee benefits”); *Wal-Mart Stores, Inc.* (Mar. 17, 2003) (permitting exclusion under Rule 14a-8(i)(7) of a proposal urging the board to account for increases in the percentage of the company’s employees covered by health insurance in determining executive compensation, noting that “while the proposal mentions executive compensation, the thrust and focus of the proposal is on the ordinary business matter of general employee benefits”).

We are aware that previously the Staff declined to permit exclusion under Rule 14a-8(i)(7) of proposals similar to the Proposal. *See, e.g., AbbVie Inc.* (Mar. 14, 2018); *Eli Lilly and Co.* (Mar. 2, 2018). In those letters, the companies argued that the proposals could be excluded under Rule 14a-8(i)(7) as relating to ordinary business operations, such as product pricing decisions and how the companies’ responses to regulatory, legislative and public pressures relating to pricing policies or price increases, and that the proposal focused on these ordinary business matters despite implicating executive compensation matters. In all instances, the Staff’s no-action responses stated that the Staff was unable to conclude that the company met its burden of demonstrating that the proposal could be excluded under Rule 14a-8(i)(7) as relating to the company’s ordinary business operations, suggesting that the Staff viewed the proposals as potentially excludable – but not based on the company’s specific articulation of the argument. We believe those arguments are compelling and that similar arguments apply to this Proposal because it focuses on the Company’s product pricing decisions and its response to risks from regulatory and public pressures relating to its pricing policies, despite implicating executive compensation matters. *See, e.g., 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 those prescription drugs related to ordinary business operations). Nevertheless, those no-action requests in which the Staff denied relief can be distinguished because they did not address the fact that the proposals address aspects of senior executive compensation that are also available or applicable to the general workforce.

A. The Proposal addresses aspects of senior executive compensation that are also applicable to the general workforce.

Recently, in Staff Legal Bulletin No. 14J (Oct. 23, 2018) (“SLB 14J”), the Staff stated that proposals that address senior executive compensation may be excludable under Rule 14a-8(i)(7) if the compensation targeted by the proposal is broadly available or applicable to a company’s general workforce. Specifically, the Staff stated that “[c]ompanies may generally rely on Rule 14a-8(i)(7) to omit . . . proposal[s] from their proxy materials” that “focus . . . on aspects of compensation that are available or apply to senior executive officers . . . and the general workforce.”

In this instance, the incentive compensation targeted by the Proposal is broadly available to a significant portion of the Company’s employees. The Company’s incentive compensation award programs that use financial performance metrics and would be affected by the Proposal include the AbbVie Incentive Plan (“AIP”) and the senior executive short-term cash bonus plans. The AIP is the short-term cash bonus plan in which approximately 14,000 (or close to 50%) of the Company’s employees participate. The senior executive short-term cash bonus plans, in which about 40 employees participate, and the AIP have the same general performance categories to determine payouts: a combination of (i) company-wide performance, (ii) organizational subset performance and (iii) individual performance. Therefore, while the Proposal’s request for the Company to report on the extent to which pharmaceutical pricing decisions relate to incentive compensation is framed in terms of executive compensation, the incentive compensation that is the subject of the request is broadly applicable to the Company’s workforce and, as such, does not raise a significant policy issue. Accordingly, consistent with SLB 14J and the other precedent described above, the Proposal is excludable under Rule 14a-8(i)(7) as relating to the Company’s ordinary business operations.

B. The Proposal seeks to micromanage the Company’s senior executive compensation practices.

In addition, the Staff has consistently agreed that shareholder proposals attempting to micromanage a company by probing too deeply into matters of a complex nature upon which shareholders, as a group, are not in a position to make an informed judgment are excludable under Rule 14a-8(i)(7). *See* the 1998 Release, *see also JPMorgan Chase & Co.* (Mar. 30, 2018) (permitting exclusion on the basis of micromanagement of a proposal that requested a report on the reputational, financial and climate risks associated with project and corporate lending, underwriting, advising and investing on tar sands projects); *Walgreens Boots Alliance, Inc.* (Nov. 20, 2018) (permitting exclusion on the basis of micromanagement of a proposal that requested open market share repurchase programs or stock buybacks subsequently adopted by the board not become effective until approved by shareholders). Recently, in SLB 14J, the Staff also articulated that proposals addressing executive compensation that seek

intricate detail, or seek to impose specific timeframes or methods for implementing complex policies can be excluded under Rule 14a-8(i)(7) on the basis of micromanagement and that, more generally, proposals calling for intricately detailed reports may be excluded under micromanagement grounds.

In this case, the Proposal seeks to micromanage the Company by engaging shareholders in matters that involve intricate detail. The Company has carefully designed its executive compensation program to attract, motivate and retain the executives who lead its business, to ensure that those individuals' compensation is aligned with the Company's short- and long-term performance and to attract, motivate and retain a broad segment of the Company's workforce. The Proposal's request for reports on the relationship between incentive compensation and pharmaceutical pricing risks would delve into product pricing decisions, which are highly complex and involve intricate details. The Company is a global biopharmaceutical company, with products sold in over 175 countries. The factors underlying pricing of the Company's products can vary by product, region and country. Moreover, the substance of the Proposal's request relates to board level risk management and implicates compensation decisions for thousands of employees. By requesting such intricate detail, annually, in a report on the factors behind compensation decisions, the Proposal seeks to micromanage the Company's business. Therefore, the Proposal attempts to micromanage The Company and is precisely the type of effort that Rule 14a-8(i)(7) is intended to prevent.

Accordingly, for the reasons discussed above, the Company believes that the Proposal may be excluded from its 2019 proxy materials pursuant to Rule 14a-8(i)(7) as relating to the Company's ordinary business operations.

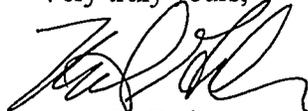
V. Conclusion

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.

Office of Chief Counsel
December 21, 2018
Page 7

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.

Kathryn McCloskey
Director, Social Responsibility
United Church Funds

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

Jennifer Hall
Provincial Treasurer
Sisters of Providence, Mother Joseph Province

EXHIBIT A

(see attached)



Jessie

November 8, 2018

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

Dear Ms. Schumacher:

United Church Funds (UCF) is a shareholder of AbbVie Inc. and considers the social impacts of our investments as part of our sustainability focus.

UCF strongly believes that our Company must consider access to affordable medicine for Americans and risks related to public concern on drug prices when determining how to structure incentive compensation plans for senior executives. We note that this issue was supported by a significant amount of AbbVie shareholders at our company's 2018 Annual Meeting.

United Church Funds is filing the enclosed shareholder proposal for inclusion in the proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. United Church Funds 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 Meeting to move the resolution as required by SEC rules. Upon request, the verification of ownership may be sent to you separately by our custodian, a DTC participant. We expect the same resolution will also be submitted by other like-minded investors.

We look forward to having productive conversations with the company. United Church Funds will act as led filer.

Sincerely,

A handwritten signature in black ink, appearing to read "Katie", followed by a horizontal line.

Kathryn McCloskey
Director, Social Responsibility
475 Riverside Drive, Suite 1020
New York, NY 10115
Katie.mccloskey@ucfunds.org

Senior Executive Incentives - Integrate Drug Pricing Risk

2019 – AbbVie

RESOLVED, that shareholders of AbbVie Inc. (“AbbVie”) urge the Compensation Committee (the “Committee”) to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into AbbVie’s incentive compensation policies, plans and programs (together, “arrangements”) for senior executives. The report should include, but need not be limited to, discussion of whether (i) incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding the level or rate of increase in prescription drug prices; and (ii) such concern is considered when setting financial targets for incentive compensation arrangements.

Supporting Statement: As long-term investors, we believe that senior executive incentive compensation arrangements should reward the creation of sustainable long-term value. To that end, it is important that those arrangements align with company strategy and encourage responsible risk management.

A key risk facing pharmaceutical companies is potential backlash against high drug prices. Societal anger over exorbitant prices and pressure over limited patients’ access due to unaffordability may force price rollbacks and harm corporate reputation.

We applaud AbbVie for committing not to increase prices by more than 10% for 2018, yet we are unaware of a like commitment for 2019 or beyond. Moreover, we are concerned that the incentive compensation arrangements applicable to AbbVie’s senior executives may undermine any such commitment.

AbbVie uses net revenue, income before taxes and Humira sales as metrics for the annual bonus and earnings per share (EPS) as a metric for certain long-term incentive awards to senior executives. (2018 Proxy Statement, at 31) A 2017 Credit Suisse analyst report stated that “US drug price rises contributed 100% of industry EPS growth in 2016” and characterized that fact as “the most important issue for a Pharma investor today.” The report identified AbbVie as a company where price increases accounted for at least 100% of EPS growth in 2016. (*Global Pharma and Biotech Sector Review: Exploring Future US Pricing Pressure*, Apr. 18, 2017, at 1.) It has been noted that the company’s 2018 9.7% price increase for Humira could add \$1.2 billion to the U.S. healthcare system (https://www.fiercepharma.com/pharma/drug-price-hikes-a-few-bad-actors-or-widespread-pharma?mkt_tok=evJpIjoiWWpZeFltRTBOMIZoTkRjNSIsInQiOiJhckk2U0NqNXBxN0x2UCtvdVdIdzZVZXRIUHlrS0xZOVRBNXdTV1F0eVNBSDMxb3NWUGJsRWtNcFROZmlPYmM5d2hXd3VuV0k1dGlCelBTYmk2).

In our view, excessive dependence on drug price increases is a risky and unsustainable strategy, especially when price hikes drive large senior executive payouts. We believe that the company’s strategy to use “nursing support,” which the California Department of Insurance claims in its suit against the company to be largely a kickback scheme to boost Humira sales, may have been better managed by leadership if Humira sales were not an explicit part of the payment incentive plan (<https://www.law360.com/articles/1084008>).

The disclosure we request would allow shareholders to better assess the extent to which compensation arrangements encourage senior executives to responsibly manage risks relating to drug pricing and contribute to long-term value creation. We urge shareholders to vote for this Proposal.



November 19, 2018

VIA EMAIL AND OVERNIGHT DELIVERY

Ms. Kathryn McCloskey
Director, Social Responsibility
United Church Funds
475 Riverside Drive, Suite 1020
New York, NY 10115
Katie.mccloskey@ucfunds.org

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

Dear Ms. McCloskey:

On November 13, 2018, AbbVie Inc. ("AbbVie") received a letter from United Church Funds (the "proponent") submitting a shareholder proposal pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for consideration at AbbVie's 2019 Annual Meeting of Shareholders.

Rule 14a-8(b) under the Exchange Act provides that a shareholder is eligible to submit a proposal if it meets certain ownership criteria. Specifically, the proponent must submit sufficient proof that it has continuously held at least \$2,000 in market value, or 1%, of the company's shares entitled to vote on the proposal for at least one year preceding and including November 8, 2018, the date the proposal was submitted.

AbbVie's stock records do not indicate that the proponent is a record owner of a sufficient number of shares to satisfy the ownership requirement. Accordingly, please provide a written statement from the record holder of the proponent's shares (usually a bank or broker) and a participant in the Depository Trust Company (DTC) verifying that, at the time the proposal was submitted, which was November 8, 2018, the proponent had beneficially held the requisite number of shares of AbbVie common stock continuously for at least one year preceding and including November 8, 2018.

Sufficient proof may be in the form of a written statement from the record holder of the proponent's shares (usually a broker or bank) and a participant in the Depository Trust Company (DTC) verifying that, at the time the proposal was submitted, the proponent continuously held the requisite number of shares for at least one year.

Jennifer M. Lagunas
Vice President, Governance,
Legal Operations and
Assistant Secretary

AbbVie Inc.
1 North Waukegan Rd
North Chicago, IL 60064
(847) 935-0056
jennifer.lagunas@abbvie.com



If the broker or bank holding the proponent's shares is not a DTC participant, the proponent also will need to obtain proof of ownership from the DTC participant through which the shares are held. You should be able to find out who this DTC participant is by asking the proponent's broker or bank. If the DTC participant knows the proponent's broker or bank's holdings, but does not know the proponent's holdings, the proponent can satisfy Rule 14a-8 by obtaining and submitting two proof of ownership statements verifying that, at the time the proposal was submitted, the required amount of shares were continuously held for at least one year – one from the proponent's broker or bank confirming the proponent's ownership, and the other from the DTC participant confirming the broker or bank's ownership.

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



BNY MELLON

Asset Servicing
BNY Mellon Center
500 Grant Street, Suite 0625
Pittsburgh, PA 15258-0001

November 26, 2018

Ms. Kathryn McCloskey
Director, Social Responsibility
United Church Funds
475 Riverside Drive, Suite 1020
New York, NY 10115-1097

Dear Ms. McCloskey,

This letter is to confirm that BNY Mellon as custodian for United Church Funds held 4,100 shares in account *** of AbbVie, Inc., Cusip 00287Y109, as of November 8, 2018.

The beneficial owner of these shares, as per BNY Mellon records, is United Church Funds, who held at least \$2,000.00 of market value of AbbVie, Inc. and has held this position for at least twelve months prior to November 8, 2018.

Sincerely,

A handwritten signature in cursive script that reads "Laura Podurgiel".

Laura Podurgiel
Vice President

EXHIBIT B

(see attached)

BON SECOURS MERCY HEALTH

November 16, 2018

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

Dear Ms. Schumacher:

Bon Secours Mercy Health, formerly named Mercy Health, has long been concerned not only with the financial returns of its investments, but also with the social and ethical implications of its investments. We believe that a demonstrated corporate responsibility in matters of the environment, social and governance concerns fosters long term business success. Bon Secours Mercy Health, a long-term investor, is currently the beneficial owner of shares of AbbVie, Inc.

Bon Secours Mercy Health is filing the enclosed resolution requesting the Compensation Committee to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into AbbVie's incentive compensation policies, plans and programs for senior executives.

Bon Secours Mercy Health is co-filing the enclosed shareholder proposal with lead investor United Church Funds 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. Bon Secours Mercy Health 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. The verification of ownership by our custodian, a DTC participant, is included in this packet. A representative of the filers will attend the Annual Meeting to present the resolution as required by SEC rules. United Church Funds may withdraw the proposal on our behalf. We respectfully request direct communications from AbbVie and to have our supporting statement and organization name included in the proxy statement.

We look forward to having more productive conversations with the company. Please direct all future correspondence, including an email acknowledgement of receipt of this letter and resolution to Donna Meyer, working on behalf of Bon Secours Mercy Health at: email: dmeyer@mercyinvestments.org; phone: (713) 299-5018; address: 2039 No. Geyer Rd., St. Louis, MO 63131.

Best regards,



Jerry Judd
Senior Vice President and Treasurer
Bon Secours Mercy Health

RECEIVED

NOV 19 2018

L.J. SCHUMACHER

Senior Executive Incentives - Integrate Drug Pricing Risk 2019 – AbbVie

RESOLVED, that shareholders of AbbVie Inc. (“AbbVie”) urge the Compensation Committee (the “Committee”) to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into AbbVie’s incentive compensation policies, plans and programs (together, “arrangements”) for senior executives. The report should include, but need not be limited to, discussion of whether (i) incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding the level or rate of increase in prescription drug prices; and (ii) such concern is considered when setting financial targets for incentive compensation arrangements.

Supporting Statement: As long-term investors, we believe that senior executive incentive compensation arrangements should reward the creation of sustainable long-term value. To that end, it is important that those arrangements align with company strategy and encourage responsible risk management.

A key risk facing pharmaceutical companies is potential backlash against high drug prices. Societal anger over exorbitant prices and pressure over limited patients’ access due to unaffordability may force price rollbacks and harm corporate reputation.

We applaud AbbVie for committing not to increase prices by more than 10% for 2018, yet we are unaware of a like commitment for 2019 or beyond. Moreover, we are concerned that the incentive compensation arrangements applicable to AbbVie’s senior executives may undermine any such commitment.

AbbVie uses net revenue, income before taxes and Humira sales as metrics for the annual bonus and earnings per share (EPS) as a metric for certain long-term incentive awards to senior executives. (2018 Proxy Statement, at 31) A 2017 Credit Suisse analyst report stated that “US drug price rises contributed 100% of industry EPS growth in 2016” and characterized that fact as “the most important issue for a Pharma investor today.” The report identified AbbVie as a company where price increases accounted for at least 100% of EPS growth in 2016. (*Global Pharma and Biotech Sector Review: Exploring Future US Pricing Pressure*, Apr. 18, 2017, at 1.) It has been noted that the company’s 2018 9.7% price increase for Humira could add \$1.2 billion to the U.S. healthcare system (https://www.fiercepharma.com/pharma/drug-price-hikes-a-few-bad-actors-or-widespread-pharma?mkt_tok=eyJpIjoiWWpZeFltRTBOMIZoTkRjNSIsInQiOiJhckk2U0NgNXBxN0x2UCtvdVdIdzVZXRlUHlrS0xZOVRBNXdTV1F0eVNBSDMxb3NWUGJsRWtNcFROZmlPYmM5d2hXd3VuV0k1dGlCelBTYmk2).

In our view, excessive dependence on drug price increases is a risky and unsustainable strategy, especially when price hikes drive large senior executive payouts. We believe that the company’s strategy to use “nursing support,” which the California Department of Insurance claims in its suit against the company to be largely a kickback scheme to boost Humira sales, may have been better managed by leadership if Humira sales were not an explicit part of the payment incentive plan (<https://www.law360.com/articles/1084008>).

The disclosure we request would allow shareholders to better assess the extent to which compensation arrangements encourage senior executives to responsibly manage risks relating to drug pricing and contribute to long-term value creation. We urge shareholders to vote for this Proposal.



STATE STREET

November 16, 2018

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

Dear Ms. Schumacher,

We, State Street Bank, hereby verify that our client, Mercy Health, held an aggregate of 4,067 ("Shares") of AbbVie Inc. common stock Cusip 00287Y109 as of November 16, 2018.

Please be advised that State Street Nominees Limited, held these shares of AbbVie Inc. in our custody on behalf of our client Mercy Health, the Beneficial Owner of the shares, as of November 16, 2018.

The total value of Mercy Health's AbbVie Inc. positions was \$366,599.38 (\$90.14 per share) as of November 16, 2018.

Additionally, Mercy Health has continuously held as least \$2,000 value of AbbVie Inc. common stock for at least one year including a one year period preceding and including November 16, 2018.

Thank you.

Sincerely,

George Collins
Officer



November 9, 2018

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

Dear Ms. Schumacher,

The Sisters of Charity of Saint Elizabeth continue to be deeply committed to affordable access to prescription drugs for millions of people. We are concerned about risks to our Company about pricing strategies. Therefore, the Sisters of Charity of Saint Elizabeth request that the Board of Directors report on compensative arrangements as described in the attached proposal.

I have been authorized by the Sisters of Charity of Saint Elizabeth to notify you of our intention to co-file this resolution with United Church Funds for consideration by the stockholders at the annual meeting and I hereby submit it for inclusion in the proxy statement, in accordance with rule 14a-8 of the general rules and regulations of the Securities Act of 1934.

The Sisters of Charity of Saint Elizabeth are the beneficial owners of at least 400 shares of stock. Under separate cover you will receive proof of ownership. We will retain shares through the annual meeting.

If you should, for any reason, desire to oppose the adoption of the proposal by the stockholders, please include in the corporation's proxy material the attached statement of the security holder, submitted in support of this proposal, as required by the aforesaid rules and regulations.

We welcome dialogue on this important issue.

Sincerely,

Sister Barbara Aires, SC
Coordinator of Corporate Responsibility

SBA/an



RECEIVED

NOV 15 2018

L.J. SCHUMACHER

973.290.5402
973.290.5441

P.O. BOX 476
CONVENT STATION
NEW JERSEY
07961-0476

Senior Executive Incentives - Integrate Drug Pricing Risk

2019 – AbbVie

RESOLVED, that shareholders of AbbVie Inc. (“AbbVie”) urge the Compensation Committee (the “Committee”) to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into AbbVie’s incentive compensation policies, plans and programs (together, “arrangements”) for senior executives. The report should include, but need not be limited to, discussion of whether (i) incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding the level or rate of increase in prescription drug prices; and (ii) such concern is considered when setting financial targets for incentive compensation arrangements.

Supporting Statement: As long-term investors, we believe that senior executive incentive compensation arrangements should reward the creation of sustainable long-term value. To that end, it is important that those arrangements align with company strategy and encourage responsible risk management.

A key risk facing pharmaceutical companies is potential backlash against high drug prices. Societal anger over exorbitant prices and pressure over limited patients’ access due to unaffordability may force price rollbacks and harm corporate reputation.

We applaud AbbVie for committing not to increase prices by more than 10% for 2018, yet we are unaware of a like commitment for 2019 or beyond. Moreover, we are concerned that the incentive compensation arrangements applicable to AbbVie’s senior executives may undermine any such commitment.

AbbVie uses net revenue, income before taxes and Humira sales as metrics for the annual bonus and earnings per share (EPS) as a metric for certain long-term incentive awards to senior executives. (2018 Proxy Statement, at 31) A 2017 Credit Suisse analyst report stated that “US drug price rises contributed 100% of industry EPS growth in 2016” and characterized that fact as “the most important issue for a Pharma investor today.” The report identified AbbVie as a company where price increases accounted for at least 100% of EPS growth in 2016. (*Global Pharma and Biotech Sector Review: Exploring Future US Pricing Pressure*, Apr. 18, 2017, at 1.) It has been noted that the company’s 2018 9.7% price increase for Humira could add \$1.2 billion to the U.S. healthcare system (https://www.fiercepharma.com/pharma/drug-price-hikes-a-few-bad-actors-or-widespread-pharma?mkt_tok=eyJpIjoiWWpZeFltRTBOMIZoTkRjNSIsInQiOiJhckk2U0NqNXBxN0x2UCtvdVdldzVZXRlUHlrS0xZOVRBNXdTV1F0eVNBSDMxb3NWUGJsRWtNcFROZmlPYmM5d2hXd3VuV0k1dGlCelBTYmk2).

In our view, excessive dependence on drug price increases is a risky and unsustainable strategy, especially when price hikes drive large senior executive payouts. We believe that the company’s strategy to use “nursing support,” which the California Department of Insurance claims in its suit against the company to be largely a kickback scheme to boost Humira sales, may have been better managed by leadership if Humira sales were not an explicit part of the payment incentive plan (<https://www.law360.com/articles/1084008>).

The disclosure we request would allow shareholders to better assess the extent to which compensation arrangements encourage senior executives to responsibly manage risks relating to drug pricing and contribute to long-term value creation. We urge shareholders to vote for this Proposal.

November 9, 2018

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

RE: Sisters of Charity of Saint Elizabeth a/c ***

Dear Ms. Laura J. Schumacher,

This letter alone shall serve as proof of beneficial ownership of 170 shares of Abbvie Inc Common stock for the Sisters of Charity of Saint Elizabeth.

Please be advised that as of 11/9/18, the Sisters of Charity of Saint Elizabeth have continuously held the requisite number of shares of common stock for at least one year, and intend to continue holding the requisite number of shares through the date of the next Annual Meeting of Shareholders.

Sincerely,



Erica Carter | Senior Analyst | Institutional Trust
| Comerica Bank | 411 West Lafayette | MC 3462 | Detroit, MI 48226 | P: 313.222.7115
Fax : 313.222.3208 | EBcarter@comerica.com



COMERICA BANK
Tax Lot Detail

Run on 11/9/2018 9:46:43 AM
As of 11/09/2018
Combined Portfolios
Trade Date Basis

Account: ***
SISTERS OF CHARITY OF SAINT
ELIZABETH
CHICAGO EQUITY

Administrator: JERRY D COAN @ 313-222-4562
Investment Officer: CHICAGO EQUITY PARTNERS
Investment Authority: None
Investment Objective:
Lot Select Method: FIFO

Cusip	Security Name	Ticker	Price	% Market	Market Value
717081103	PFIZER INC	PFE	43.850	1.14	68,844.50

Tax Lot	Acquisition Date	Portfolio	Units	Tax Cost	Market Value	Unrealized Gain/Loss
1	08/09/2016	PRINCIPAL	180.000000	6,292.44	7,893.00	1,600.56
2	10/19/2016	PRINCIPAL	130.000000	4,250.35	5,700.50	1,450.15
3	04/19/2017	PRINCIPAL	100.000000	3,363.80	4,385.00	1,021.20
4	04/25/2017	PRINCIPAL	150.000000	5,084.70	6,577.50	1,492.80
5	02/09/2018	PRINCIPAL	1,010.000000	34,519.78	44,288.50	9,768.72
* TOTAL *			1,570.000000	53,511.07	68,844.50	15,333.43

Unit Status	Number of Units	Tax Cost	Market Value
Settled	1,570.000000	53,511.07	68,844.50

Registration	Number of Units
DTC - C/C	1,570.000000

[Back](#) | [Export](#)



Sisters of Providence

Provincial Administration • Mother Joseph Province

1801 Lind Avenue SW, #9016
Renton, Washington 98057-9016
425.525.3355 • (fax) 425.525.3984

November 16, 2018

Laura J. Schumacher, Corporate Secretary
AbbVie Inc.
1 North Waukegan Road
DEPT V364, AP34
North Chicago, IL 60064-1802

Dear Ms. Schumacher,

Currently in the U.S. a key risk facing pharmaceutical companies is potential backlash against high drug prices. AbbVie has been criticized for repeated price increases. We believe that excessive dependence on drug price increases is a risky and unsustainable strategy, especially when price hikes appear to drive large senior executive payouts. For this reason shareholders are requesting an annual report on the extent to which risks related to public concern over drug pricing strategies are integrated into Abbvie's incentive compensation policies, plans and programs for senior executives.

The Sisters of Providence, Mother Joseph Province is co-filing the enclosed resolution with United Church Funds for inclusion in the AbbVie, Inc. 2019 proxy statement in accordance with rule 14a-8 of the general rules and regulations of the Securities and Exchange Act of 1934. A representative of the filers will attend the annual meeting to move the resolution as required by SEC Rules.

As of November 16, 2018, the Sisters of Providence, Mother Joseph Province held, and has held continuously for at least one year, 11 shares of AbbVie, Inc. common stock. A letter verifying ownership in the Company is enclosed. We will continue to hold the required number of shares in AbbVie, Inc. through the annual meeting in 2019.

For matters pertaining to this resolution, please contact Kathryn McCloskey of the United Church Funds, the primary filer of this resolution. (Katie.mccloskey@ucfunds.org) Please copy me on all communications: Jennifer Hall: jennifer.hall@providence.org

Sincerely,

Jennifer Hall
Provincial Treasurer

Encl: Shareholder Resolution
Verification of Ownership

RECEIVED

NOV 19 2018

L.J. SCHUMACHER

Senior Executive Incentives - Integrate Drug Pricing Risk 2019 – AbbVie

RESOLVED, that shareholders of AbbVie Inc. (“AbbVie”) urge the Compensation Committee (the “Committee”) to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into AbbVie’s incentive compensation policies, plans and programs (together, “arrangements”) for senior executives. The report should include, but need not be limited to, discussion of whether (i) incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding the level or rate of increase in prescription drug prices; and (ii) such concern is considered when setting financial targets for incentive compensation arrangements.

Supporting Statement: As long-term investors, we believe that senior executive incentive compensation arrangements should reward the creation of sustainable long-term value. To that end, it is important that those arrangements align with company strategy and encourage responsible risk management.

A key risk facing pharmaceutical companies is potential backlash against high drug prices. Societal anger over exorbitant prices and pressure over limited patients’ access due to unaffordability may force price rollbacks and harm corporate reputation.

We applaud AbbVie for committing not to increase prices by more than 10% for 2018, yet we are unaware of a like commitment for 2019 or beyond. Moreover, we are concerned that the incentive compensation arrangements applicable to AbbVie’s senior executives may undermine any such commitment.

AbbVie uses net revenue, income before taxes and Humira sales as metrics for the annual bonus and earnings per share (EPS) as a metric for certain long-term incentive awards to senior executives. (2018 Proxy Statement, at 31) A 2017 Credit Suisse analyst report stated that “US drug price rises contributed 100% of industry EPS growth in 2016” and characterized that fact as “the most important issue for a Pharma investor today.” The report identified AbbVie as a company where price increases accounted for at least 100% of EPS growth in 2016. (Global Pharma and Biotech Sector Review: Exploring Future US Pricing Pressure, Apr. 18, 2017, at 1.) It has been noted that the company’s 2018 9.7% price increase for Humira could add \$1.2 billion to the U.S. healthcare system (https://www.fiercepharma.com/pharma/drug-price-hikes-a-few-bad-actors-or-widespread-pharma?mkt_tok=eyJpIjoiWWpZeFltRTBOMlZoTkRjNSIsInQiOiJhckk2U0NqNXBxN0x2UCtvdVdlZzVZXRIUHrS0xZOVRBNXdTV1F0eVNBSDMxb3NWUGJsRwTncFROZmIPYmM5d2hXd3VuV0k1dGICelBTYmk2).

In our view, excessive dependence on drug price increases is a risky and unsustainable strategy, especially when price hikes drive large senior executive payouts. We believe that the company’s strategy to use “nursing support,” which the California Department of Insurance claims in its suit against the company to be largely a kickback scheme to boost Humira sales, may have been better managed by leadership if Humira sales were not an explicit part of the payment incentive plan (<https://www.law360.com/articles/1084008>).

The disclosure we request would allow shareholders to better assess the extent to which compensation arrangements encourage senior executives to responsibly manage risks relating to drug pricing and contribute to long-term value creation. We urge shareholders to vote for this Proposal.



November 16, 2018

Sisters Of Providence-Mother Joseph Province
Jennifer Hall, Steve Kye, Janet Painter
1801 Lind Ave Sw # 9016
Renton, WA 98057

Account #: ***
Questions: +1 (800) 378-0685
x35362

Here is the information you requested.

Dear Jennifer Hall, Steve Kye, Janet Painter,

This letter is being written to confirm the amount of shares held of Abbvie Inc. (ABBV) in the above listed account for which you are an authorized agent.

On 12/20/2010, 11 shares of Abbott Laboratories Inc. (ABT) were purchased in this account.

On 12/31/2012, Abbott Laboratories, the parent company, spun off Abbvie Inc. The distribution rate was one share of ABBV for each share of ABT held.

As of the time this letter was written on 11/16/2018, these 11 shares of ABBV remain in the above referenced account.

This letter is for informational purposes only and is not an official record. Please refer to your statements and trade confirmations as they are the official record of your transactions.

Charles Schwab is a DTC participating firm.

Thank you for choosing Schwab. We appreciate your business and look forward to serving you in the future. If you have any questions, please call me or any Client Service Specialist at +1 (800) 378-0685 x35362.

(Continued on next page)

Sincerely,

Tyler Cawthorne

Tyler Cawthorne
PARTNER SUPPORT TEAM
2423 E Lincoln Dr
Phoenix, AZ 85016-1215



Catherine M. Rowan
Director, Socially Responsible Investments
766 Brady Avenue, Apt. 635
Bronx, NY 10462
Phone: (718) 822-0820
Fax: (718) 504-4787

E-Mail Address: rowan@bestweb.net

November 13, 2018

Laura J. Schumacher,
Executive Vice-President, Corporate Affairs, General Counsel and Corporate Secretary
Dept. V364, AP34
AbbVie Inc.
1 North Waukegan Road
North Chicago, IL 60064

Dear Ms. Schumacher,

Trinity Health is the beneficial owner of over \$2,000 worth of shares of AbbVie, Inc. Trinity Health has held these shares continuously for over twelve months and will continue to do so at least until after the next annual meeting of shareholders. A letter of verification of ownership is enclosed.

I am authorized to notify you of our intention to present the attached proposal for consideration and action by the stockholders at the next annual meeting. I submit this proposal for inclusion in the proxy statement, in accordance with Rule 14-a-8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The enclosed proposal is the same one as being filed by United Church Funds and the primary contact for the proposal is Kathryn McCloskey katie.mccloskey@ucfunds.org. We have authorized her to be our contact person in regards to the proposal.

Sincerely,

A handwritten signature in cursive script that reads "Catherine Rowan".

Catherine Rowan

enc

RECEIVED

NOV 19 2018

L.J. SCHUMACHER

Senior Executive Incentives - Integrate Drug Pricing Risk

2019 – AbbVie

RESOLVED, that shareholders of AbbVie Inc. (“AbbVie”) urge the Compensation Committee (the “Committee”) to report annually to shareholders on the extent to which risks related to public concern over drug pricing strategies are integrated into AbbVie’s incentive compensation policies, plans and programs (together, “arrangements”) for senior executives. The report should include, but need not be limited to, discussion of whether (i) incentive compensation arrangements reward, or not penalize, senior executives for adopting pricing strategies, or making and honoring commitments about pricing, that incorporate public concern regarding the level or rate of increase in prescription drug prices; and (ii) such concern is considered when setting financial targets for incentive compensation arrangements.

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The disclosure we request would allow shareholders to better assess the extent to which compensation arrangements encourage senior executives to responsibly manage risks relating to drug pricing and contribute to long-term value creation. We urge shareholders to vote for this Proposal.

November 13, 2018



Northern Trust

TO WHOM IT MAY CONCERN,

Please accept this letter as verification that as of November 13, 2018 Northern Trust as custodian held for the beneficial interest of Trinity Health 77,871 shares of Abbvie, Inc..

As of November 13, 2018 Trinity Health has held at least \$2,000 worth of Abbvie, Inc. continuously for over one year. Trinity Health has informed us it intends to continue to hold these shares through the date of the company's next annual meeting.

This letter is to confirm that the aforementioned shares of stock are registered with Northern Trust, Participant Number 2669, at the Depository Trust Company.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan Stack".

Ryan Stack
2nd Vice President
The Northern Trust Company
50 South La Salle Street
Chicago, Illinois 60603