

Lobbying Expenditures Disclosure

2018 – AbbVie

WHEREAS, we believe in full disclosure of AbbVie’s direct and indirect lobbying activities and expenditures to assess whether AbbVie’s lobbying is consistent with its expressed goals and in the best interests of stockholders.

RESOLVED, the stockholders of AbbVie request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by AbbVie used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. AbbVie’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management’s decision making process and the Board’s oversight for making payments described in section 2 above.

For purposes of this proposal, a “grassroots lobbying communication” is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation, and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. “Indirect lobbying” is lobbying engaged in by a trade association or other organization of which AbbVie is a member.

Both “direct and indirect lobbying” and “grassroots lobbying communications” include efforts at the local, state, and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on AbbVie’s website.

Supporting Statement: As stockholders, we encourage transparency and accountability in the use of corporate funds to influence legislation and regulation, both directly and indirectly. AbbVie spent \$20.57 million from 2013 – 2016 on federal lobbying (opensecrets.org). This figure does not include lobbying expenditures to influence legislation in states, where AbbVie also lobbies but disclosure is uneven or absent. For example, AbbVie spent \$1,506,820 on lobbying in California from 2013 – 2016. AbbVie’s lobbying on Humira attracted media scrutiny (“‘Cures’ Act in Congress Heavily Influenced by Lobbyists,” NBC News, November 2016). Investors are concerned that AbbVie does not publish total state and federal lobbying expenditures.

AbbVie is a member of the Chamber of Commerce, which has spent over \$1.3 billion on lobbying since 1998. AbbVie also sits on the board of the Pharmaceutical Research and Manufacturers of America (PhRMA), which spent over \$100 million against a California drug pricing initiative (“Big Pharma Fights

'Tooth and Nail' against California Drug Vote," Bloomberg, October 2016). AbbVie does not disclose the portion of its trade association payments that are used for lobbying.

AbbVie's membership in PhRMA and the Chamber could present reputational risks on the issues of affordable medicine, improving health, and addressing climate change. For example, AbbVie believes patients need access to affordable medicines, yet it helps fund PhRMA's opposition to lower drug price initiatives. AbbVie supports smoking cessation, yet the Chamber has worked to block global antismoking laws. And AbbVie believes "climate change is one of the most critical issues facing our planet," yet the Chamber sued to block the Clean Power Plan.