

RESOLVED: Shareholders request the Board of Directors adopt as policy, and amend the bylaws as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, be an independent member of the Board. This independence policy shall apply prospectively so as not to violate any contractual obligations. If the Board determines that a Chair who was independent when selected is no longer independent, the Board shall select a new Chair who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chair. This policy would be phased in for the next chief executive officer (CEO) transition.

WHEREAS:

We believe:

- The role of the CEO and management is to run the company.
- The role of the Board of Directors is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to have a non-independent director act as Chair.

In our view, shareholders are best served by an independent Board Chair who can provide a balance of power between the CEO and the Board. Taking this step is in the long-term interests of shareholders and will promote effective oversight of management.

As of 2024, approximately 40%¹ of S&P 500 firms had an independent chair. ISS reported in September 2025 that 81%² of investors responding to its policy survey indicated that an independent chair is their preferred model.

Pharmaceutical companies are particularly in need of effective and unconflicted oversight because of the industry's high legal and regulatory risks related to product safety and the industry's commercial practices. AbbVie is not immune to litigation and regulatory attention.

- In February of 2023, the Pharmaceutical Accountability Foundation sued AbbVie on the grounds that it had abused its dominant market position to make excessive profits, violating Dutch competition law and human rights principles. While the case was dismissed, the ruling was not on the merits, but on standing; thus, the substance remains unsettled.³
- A battle over generic versions of AndroGel continues⁴. While the \$448 million judgment was overturned, the ruling remained intact that AbbVie violated antitrust law in suing Perrigo to delay its generic.
- In 2022, the company agreed to pay up to \$2.37 billion to resolve thousands of U.S. lawsuits against its Allergan unit over the marketing of opioid painkillers, which ended more than 3,000 lawsuits by state and local governments⁵.

¹ <https://www.conference-board.org/publications/Board-Practices-and-Composition-2024-Edition>

² <https://www.issgovernance.com/file/policy/active/policy-survey-summary-2025.pdf>

³ <https://www.pharmaceuticalaccountability.org/2025/07/09/amsterdam-court-gives-no-substantive-ruling-in-pharmaceutical-accountability-foundation-abbvie-excessive-pricing-case-on-humira/>

⁴ <https://www.reuters.com/legal/litigation/column-heres-what-abbvie-doesnt-want-you-know-about-its-sham-androgel-patent-2023-07-25/>

⁵ <https://www.nytimes.com/2022/07/29/health/allergan-opioids-settlement.html>

The risk of lawsuits, sustained public controversy and regulatory intervention, whether ultimately found to be justified or not, are strong arguments for the need for continuous, effective and unconflicted board oversight of corporate management.

In order to ensure that our Board can provide rigorous oversight for our Company with greater independence and accountability, we urge a vote FOR this shareholder proposal.