

# SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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## FORM 8-K

### CURRENT REPORT Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

**February 18, 2005**

Date of Report (Date of earliest event reported)

## ABBOTT LABORATORIES

(Exact name of registrant as specified in its charter)

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**Illinois**  
(State or other Jurisdiction  
of Incorporation)

**1-2189**  
(Commission  
File Number)

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**36-0698440**  
(IRS Employer  
Identification No.)

**100 Abbott Park Road**  
**Abbott Park, Illinois 60064-6400**  
(Address of principal executive offices)(Zip Code)

Registrant's telephone number, including area code: **(847) 937-6100**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 1.01 Entry into a Material Definitive Agreement.**

On February 18, 2005, Abbott Laboratories' Compensation Committee adopted a resolution providing that the 2005 annual stock option grant and any 2005 interim stock option grants will not include a replacement option feature.

On February 18, 2005, Abbott Laboratories' Board of Directors amended the Abbott Laboratories 1996 Incentive Stock Program to provide that the directors' annual equity award value be increased by \$25,000, effective with the 2005 Annual Shareholders Meeting.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

On February 18, 2005, Abbott Laboratories' Board of Directors amended Article IV, Section 7 of Abbott's by-laws to provide that the composition of the members and the duties of the Public Policy Committee shall be as set forth in the Public Policy Committee's charter. Previously, the composition of the members and the duties of that committee were described in the by-laws.

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits

Exhibit No.	Exhibit
3.1	By-Laws of Abbott Laboratories, as amended and restated as of February 18, 2005
10.1	Form of Employee Stock Option Agreement for a Non-Qualified Stock Option granted with an Incentive Stock Option under the Abbott Laboratories 1996 Incentive Stock Program on or after February 18, 2005
10.2	Form of Employee Stock Option Agreement for a new Non-Qualified Stock Option under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 18, 2005
10.3	Form of Employee Stock Option Agreement for an Incentive Stock Option granted with a Non-Qualified Stock Option under the Abbott Laboratories 1996 Incentive Stock Program on or after February 18, 2005
10.4	Form of Employee Stock Option Agreement for an Incentive Stock Option under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 18, 2005
10.5	Form of Employee Restricted Stock Agreement under the Abbott Laboratories 1996 Incentive Stock Program
10.6	Form of Employee Restricted Stock Unit Agreement under the Abbott Laboratories 1996 Incentive Stock Program
10.7	Form of Non-Employee Director Stock Option Agreement under the Abbott Laboratories 1996 Incentive Stock Program granted on or after February 18, 2005
10.8	Abbott Laboratories 1996 Incentive Stock Program, as amended

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ABBOTT LABORATORIES**

Date: February 22, 2005

By: /s/ THOMAS C. FREYMAN

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Thomas C. Freyman  
Executive Vice President,  
Finance and Chief Financial Officer

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## Exhibit Index

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[SIGNATURE](#)

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**BY-LAWS**

**OF**

**ABBOTT LABORATORIES**

Adopted by the Board of Directors  
of Abbott Laboratories at the  
Annual Meeting, April 11, 1963  
as amended and restated, effective February 18, 2005

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# BY-LAWS OF ABBOTT LABORATORIES

## ARTICLE I

### OFFICES

The principal office of the Corporation in the State of Illinois shall be located at the intersection of State Routes 43 and 137 in the County of Lake. The Corporation may have such other offices either within or without the State of Illinois as the business of the Corporation may require from time to time.

The registered office of the Corporation may be, but need not be, identical with the principal office in the State of Illinois. The address of the registered office may be changed from time to time by the Board of Directors.

## ARTICLE II

### SHAREHOLDERS

SECTION 1. ANNUAL MEETING; TRANSACTION OF BUSINESS, NOMINATION OF DIRECTORS. The annual meeting of the shareholders shall be held at such place, on such date and at such time as shall be designated from time to time by the Board of Directors. The meeting shall be held for the purpose of electing Directors and for the transaction of such other business as is properly brought before the meeting in accordance with these By-Laws. If the election of Directors shall not be held on the day designated for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a meeting of the shareholders as soon thereafter as conveniently may be.

To be properly brought before the annual meeting, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors or (c) otherwise properly brought before the annual meeting by a shareholder of the Corporation (i) who is a shareholder of record on the record date for the determination of shareholders entitled to vote at such annual meeting, on the date such shareholder provides timely notice to the Corporation as provided herein and on the date of the annual meeting and (ii) who complies with the notice procedures set forth in this Section 1. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary. To be timely, a shareholder's notice to the Secretary must be delivered to and received at the principal executive office of the Corporation not less than ninety days and not more than one hundred twenty days prior to the anniversary date of the preceding annual meeting of shareholders; *provided, however*, that in the event that the annual meeting is called for a date that is not within twenty-five days before or after such anniversary date, notice by the shareholder in order to be timely must be so delivered and received not later than the close of business on the

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tenth day following the day on which such notice of the date of the annual meeting was mailed or such public announcement in a press release or in a filing with the Securities and Exchange Commission of the date of the annual meeting was made, whichever first occurs. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the shareholder proposing such business, (iii) the class and number of shares of the Corporation which are beneficially owned by the shareholder and (iv) any material interest of the shareholder in such business.

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 1.

The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 1, and if he should so determine, he shall so declare to the meeting and such business not properly brought before the meeting shall not be transacted.

Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the Corporation at the annual meeting may be made at such annual meeting of shareholders by or at the direction of the Board of Directors, by any nominating committee or person appointed by the Board of Directors, or by any shareholder of the Corporation entitled to vote for the election of directors at such meeting (i) who is a shareholder of record on the record date for the determination of shareholders entitled to vote at such annual meeting, on the date such shareholder provides timely notice to the Corporation as provided herein and on the date of the annual meeting and (ii) who complies with the notice procedures set forth in this Section 1. Such nominations, other than those made by or at the direction of the Board of Directors or by a committee or person appointed by the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary. To be timely, a shareholder's notice to the Secretary must be delivered to and received at the principal executive office of the Corporation not less than ninety days and not more than one hundred twenty days prior to the anniversary date of the preceding annual meeting of shareholders; *provided, however*, that in the event that the annual meeting is called for a date that is not within twenty five days before or after such anniversary date, notice by the shareholder in order to be timely must be so delivered and received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public announcement in a press release or in a filing with the Securities and Exchange Commission of the date of the annual meeting was made, whichever first occurs. Such shareholder's notice to the Secretary shall set forth: (a) as to each person whom the shareholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the person and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended; and (b) as to the

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shareholder giving the notice, (i) the name and record address of such shareholder and (ii) the class and number of shares of the Corporation which are beneficially owned by such shareholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as director of the Corporation. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein.

The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

**SECTION 2. SPECIAL MEETINGS.** Special meetings of the shareholders may be called by the Chairman of the Board, the Chief Executive Officer, any President, the Board of Directors or by a shareholder (or shareholders) holding not less than one-fifth of all the outstanding shares entitled to vote on the matter for which the meeting is called.

To be properly brought before the special meeting, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the special meeting by or at the direction of the Board of Directors or (c) otherwise properly brought before the special meeting by a shareholder (or shareholders) of the Corporation holding sufficient shares to call a special meeting as provided in the first paragraph of this Section 2 and (i) being shareholder(s) of record on the record date for the determination of shareholders entitled to vote at such special meeting, on the date such shareholder(s) provide(s) timely notice to the Corporation as provided herein and on the date of the special meeting and (ii) complying with the notice procedures set forth in this Section 2. In addition to any other applicable requirements, for business to be properly brought by a shareholder before a special meeting, the shareholder must have given timely notice thereof in writing to the Secretary. To be timely, a shareholder's notice must be delivered to and received at the principal office of the Corporation, in the case of a special meeting of shareholders, not earlier than sixty days nor later than ninety days prior to the date of the special meeting. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to be brought before the special meeting (i) a brief description of the business desired to be brought before the special meeting and the reasons for conducting such business at the special meeting, (ii) the name and record address of the shareholder proposing such business, (iii) the class and number of shares of the Corporation which are beneficially owned by the shareholder and (iv) any material interest of the shareholder in such business.

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at the special meeting except in accordance with the procedures set forth in this Section 2.

The Chairman of a special meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 2, and if he should so determine, he shall so declare to the meeting and such business not properly brought before the meeting shall not be transacted.

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SECTION 3. PLACE OF MEETING. The Board of Directors may designate any place, either within or without the State of Illinois, as the place of meeting for any annual meeting or for any special meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Corporation in the State of Illinois.

SECTION 4. NOTICE OF MEETINGS. Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting, or in the cases of a merger, consolidation, share exchange, dissolution or sale, lease or exchange of assets not less than twenty nor more than sixty days before the meeting, either personally or by mail, by or at the direction of the Chairman of the Board, the Chief Executive Officer, any President, or the Secretary or the persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at his or her address as it appears on the records of the Corporation, with postage thereon prepaid.

SECTION 5. FIXING RECORD DATE. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders, or shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than sixty days and, for a meeting of shareholders, not less than ten days, or in the case of a merger, consolidation, share exchange, dissolution or sale, lease or exchange of assets not less than twenty days, immediately preceding such meeting.

SECTION 6. VOTING LISTS. The Secretary shall make, or cause to have made, within twenty days after the record date for a meeting of shareholders or ten days before such meeting, whichever is earlier, a complete list of the shareholders entitled to vote at such meeting, arranged in alphabetical order, with the address of and the number of shares held by each, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any shareholder and to copying at the shareholder's expense, at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in this State, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book or to vote at any meeting of shareholders.

SECTION 7. QUORUM. A majority of the outstanding shares of the Corporation entitled to vote on a matter, represented in person or by proxy, shall constitute a quorum for consideration of such matter at a meeting of shareholders. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on a matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by The Business Corporation Act of 1983 or the Articles of Incorporation, as in effect on the date

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of such determination. If a quorum is not present or represented at any meeting of shareholders, the Chairman of the meeting, or if so requested by the Chairman, the shareholders present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than the announcement at the meeting, until a quorum shall be present or represented. In addition, the Chairman of any meeting of shareholders shall have the power to adjourn the meeting at the request of the Board of Directors if the Board of Directors determines that adjournment is necessary or appropriate to enable shareholders to fully consider information which the Board of Directors determines has not been made sufficiently or timely available to shareholders or is otherwise in the best interests of shareholders.

SECTION 8. PROXIES. A shareholder may appoint a proxy to vote or otherwise act for the shareholder by delivering a valid appointment to the person so appointed or such person's agent; PROVIDED, HOWEVER, no shareholder may name more than two persons as proxies to attend and to vote the shareholder's shares at any meeting of shareholders. Without limiting the manner in which a shareholder may appoint such a proxy pursuant to these By-Laws, the following shall constitute valid means by which a shareholder may make such an appointment:

- (a) A shareholder may sign a proxy appointment form. The shareholder's signature may be affixed by any reasonable means, including, but not limited to, by facsimile signature.
- (b) A shareholder may transmit or authorize the transmission of a telegram, cablegram, or other means of electronic transmission; provided that any such transmission must either set forth or be submitted with information from which it can be determined that the telegram, cablegram, or other electronic transmission was authorized by the shareholder. If it is determined that the telegram, cablegram, or other electronic transmission is valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information upon which they relied.

No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Each proxy continues in full force and effect until revoked by the person appointing the proxy prior to the vote pursuant thereto, except as otherwise provided by law. Such revocation may be effected by a writing delivered to the secretary of the Corporation stating that the proxy is revoked or by a subsequent delivery of a valid proxy by, or by the attendance at the meeting and voting in person by the person appointing the proxy. The dates of the proxy shall presumptively determine the order of appointment.

SECTION 9. VOTING OF SHARES. Each outstanding share, regardless of class, shall be entitled to one vote in each matter submitted to a vote at a meeting of shareholders and, in all elections for Directors, every shareholder shall have the right to vote the number of shares owned by such shareholder for as many persons as there are Directors to be elected, or to cumulate such votes and give one candidate as many votes as shall equal the number of Directors multiplied by the number of such shares or to distribute such cumulative votes in any proportion among any number of candidates; provided that, vacancies on the Board of Directors may be filled as

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provided in Section 9, Article III of these By-Laws. A shareholder may vote either in person or by proxy.

SECTION 10. VOTING OF SHARES BY CERTAIN HOLDERS. Shares of this Corporation held by the Corporation in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares entitled to vote at any given time.

Shares registered in the name of another corporation, domestic or foreign, may be voted by any officer, agent, proxy or other legal representative authorized to vote such shares under the law of incorporation of such corporation.

Shares registered in the name of a deceased person, a minor ward or a person under legal disability may be voted by his or her administrator, executor, or court appointed guardian, either in person or by proxy without a transfer of such shares into the name of such administrator, executor, or court appointed guardian. Shares registered in the name of a trustee may be voted by him or her, either in person or by proxy.

Shares registered in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his or her name if authority so to do is contained in an appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

SECTION 11. VOTING BY BALLOT. Voting on any question or in any election may be *viva voce* unless the presiding officer shall order that voting be by ballot.

SECTION 12. INSPECTORS OF ELECTION. The Board of Directors in advance of any meeting of shareholders may appoint inspectors to act at such meeting or any adjournment thereof. If inspectors of election are not so appointed, the officer or person acting as chairman at any such meeting may, and on the request of any shareholder or his proxy, shall make such appointment. In case any person appointed as inspector shall fail to appear or to act, the vacancy may be filled by appointment made by the Board of Directors in advance of the meeting or at the meeting by the officer or person acting as chairman.

Such inspectors shall ascertain and report the number of shares represented at the meeting, based upon their determination of the validity and effect of proxies; count all votes and report the results; and do such other acts as are proper to conduct the election and voting with impartiality and fairness to all the shareholders.

Each report of an inspector shall be in writing and signed by him or her or by a majority of them if there be more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the

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inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof.

**SECTION 13. SHAREHOLDER ACTION BY WRITTEN CONSENT.** In the case of action to be taken by a shareholder or shareholders by written consent, the shareholder or shareholders proposing to take such action shall give notice of the proposed action, which notice shall be in writing and delivered to and received by the Secretary at the principal office of the Corporation, a reasonable period (but not less than thirty-five days) before the proposed effective date of such action. To the extent relevant, such notice shall include the information referred to in the fourth sentence of the second paragraph of Article II, Section 1 of these By-Laws.

In the case of action to be taken by a shareholder or shareholders by written consent, no written consent shall be effective to take the action referred to therein unless written consents signed by a sufficient number of shareholders to take such action are delivered to and received by the Corporation in accordance with this Section within sixty days of the record date for taking such action by written consent, or if no such record date has been set, the date the earliest dated written consent was received by the Corporation in accordance with this Section.

Every written consent shall be signed by one or more persons who as of the record date are shareholders of record on such record date, shall bear the date of signature of each such shareholder, and shall set forth the name and address, as they appear in the Corporation's books, of each shareholder signing such consent and the class and number of shares of the Corporation which are owned of record and beneficially by each such shareholder and shall be delivered to and received by the Secretary of the Corporation at the Corporation's principal office by hand or by certified or registered mail, return receipt requested.

**SECTION 14. RECORD DATE FOR SHAREHOLDER ACTION BY WRITTEN CONSENT.** In order that the Corporation may determine the shareholders entitled to consent to action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten days (or if such tenth day is a day on which the New York Stock Exchange is not open for trading, the next day following such tenth day on which the New York Stock Exchange is open for trading), or in the case of any proposed action by written consent of a shareholder or shareholders with respect to a merger, consolidation, share exchange, dissolution or sale, lease or exchange of assets, not more than twenty days, after the date upon which the resolution fixing the record date is adopted by the Board of Directors (or such later date if the shareholder requests and the Board sets such later date as the record date). Any shareholder of record seeking to have the shareholders authorize or take action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but no later than ten days (or if such tenth day is a day on which the New York Stock Exchange is not open for trading, the next day following such tenth day on which the New York Stock Exchange is open for trading) after the date on which such a request is received, adopt a resolution fixing the record date. Delivery of such request shall be by hand or by certified or registered mail, return receipt requested to the Secretary at the Corporation's principal office. If no record date has been fixed by the Board of Directors within ten days (or if such tenth day is a day on which the New York

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Stock Exchange is not open for trading, the next day following such tenth day on which the New York Stock Exchange is open for trading) after the date on which such request is received, the record date for determining shareholders entitled to consent to action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to and received by the Secretary at the principal office of the Corporation. Delivery shall be by hand or by certified or registered mail, return receipt requested to the Secretary at the Corporation's principal office. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining shareholders entitled to consent to action in writing without a meeting shall be at the close of business on the date on which the Board of Directors adopts the resolution taking such prior action.

### **ARTICLE III**

#### **DIRECTORS**

**SECTION 1. GENERAL POWERS.** The business and affairs of the Corporation shall be managed under the direction of the Board of Directors.

**SECTION 2. NUMBER, TENURE AND QUALIFICATIONS.** The number of Directors of the Corporation shall be fourteen. The terms of all Directors shall expire at the next annual meeting of shareholders following their election. Despite the expiration of a Director's term, he or she shall continue to serve until the next meeting of shareholders at which Directors are elected. Directors need not be residents of Illinois or shareholders of the Corporation.

**SECTION 3. REGULAR MEETINGS.** A regular annual meeting of the Board of Directors shall be held without other notice than this By-Law, immediately after, and at the same place as, the annual meeting of shareholders. Other regular meetings of the Board of Directors shall be held at the principal office of the Corporation on the second Friday of every month at 9:00 a.m. without other notice than this By-Law. The Board of Directors may provide, by resolution, for the holding of the regular monthly meetings at a different time and place, either within or without the State of Illinois, or for the omission of the regular monthly meeting altogether. Where the Board of Directors has, by resolution, changed or omitted regular meetings, no other notice than such resolution shall be given.

**SECTION 4. SPECIAL MEETINGS.** Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the Chairman of the Executive Committee, the Chief Executive Officer, any President, or of any four Directors. The persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Illinois, as the place for holding any special meeting of the Board of Directors.

**SECTION 5. NOTICE.** Notice of any special meeting shall be given: (i) at least one day prior thereto if the notice is given personally or by an electronic transmission, (ii) at least two business days prior thereto if the notice is given by having it delivered by a third party entity

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that provides delivery services in the ordinary course of business and guarantees delivery of the notice to the Director no later than the following business day, and (iii) at least seven days prior thereto if the notice is given by mail. For this purpose, the term "electronic transmission" may include, but shall not be limited to, a telex, facsimile, or other electronic means. Notice shall be delivered to the Director's business address and/or telephone number and shall be deemed given upon electronic transmission, upon delivery to the third party delivery service, or upon being deposited in the United States mail with postage thereon prepaid. Any Director may waive notice of any meeting by signing a written waiver of notice either before or after the meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need to be specified in the notice or waiver of notice of such meeting.

SECTION 6. QUORUM. A majority of the number of Directors fixed by these By-Laws shall constitute a quorum for transaction of business at any meeting of the Board of Directors; provided, that if less than a majority of such number of Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

SECTION 7. MANNER OF VOTING. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 8. INFORMAL ACTION BY DIRECTORS. Any action required to be taken at a meeting of the Board of Directors, or any other action which may be taken at a meeting of the Board of Directors or a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors entitled to vote with respect to the subject matter thereof, or by all the members of such committee, as the case may be.

The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more Directors. All the approvals evidencing the consent shall be delivered to the Secretary of the Corporation to be filed in the corporate records. The action taken shall be effective when all the Directors have approved the consent unless the consent specifies a different effective date.

Any such consent signed by all the Directors or all the members of a committee shall have the same effect as a unanimous vote.

SECTION 9. VACANCIES. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors, may be filled by election at an annual meeting or at a special meeting of shareholders called for that purpose. A Director elected to fill a vacancy shall serve until the next annual meeting of shareholders. A majority of Directors then in office may also fill one or more vacancies arising between meetings of shareholders by reason of an increase in the number of Directors or otherwise, and any Director so selected shall serve until the next annual meeting of shareholders, provided that at no

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time may the number of Directors selected to fill vacancies in this manner during any interim period between meetings of shareholders exceed 33-1/3 per cent of the total membership of the Board of Directors.

**SECTION 10. PRESUMPTION OF ASSENT.** A Director of the Corporation who is present at a meeting of the Board of Directors or any committee thereof at which action on any corporate matter is taken is conclusively presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless he or she files his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or forwards such dissent by registered or certified mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

**SECTION 11. APPOINTMENT OF AUDITORS.** The Audit Committee shall appoint annually a firm of independent public accountants as auditors of the Corporation. Should the Audit Committee for any reason determine that such appointment be terminated, the Audit Committee shall appoint another firm of independent public accountants to act as auditors of the Corporation.

## **ARTICLE IV**

### **COMMITTEES**

**SECTION 1. APPOINTMENT.** A majority of the Board of Directors may create one or more committees and appoint members of the Board to serve on the committee or committees. Each committee shall have three or more members, who serve at the pleasure of the Board. The Board shall designate one member of each committee to be chairman of the committee. The Board shall designate a secretary of each committee who may be, but need not be, a member of the committee or the Board.

**SECTION 2. COMMITTEE MEETINGS.** A majority of any committee shall constitute a quorum and the act of the majority of the members of a committee present at a meeting at which a quorum is present shall be the act of such committee. A committee may act by unanimous consent in writing without a meeting. Committee meetings may be called by the Chairman of the Board, the chairman of the committee, or any two of the committee's members. The time and place of committee meetings shall be designated in the notice of such meeting. Notice of each committee meeting shall be given to each committee member. Each Committee shall keep minutes of its proceedings.

**SECTION 3. EXECUTIVE COMMITTEE.** The Board shall appoint an Executive Committee. A majority of the members of the Committee shall be selected from those Directors who satisfy the independence requirements of the Corporation's Corporate Governance Guidelines. The Executive Committee may, when the Board of Directors is not in session, exercise the authority of the Board in the management of the business and affairs of the Corporation; provided, however, the Committee may not:

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- (1) authorize distributions;
- (2) approve or recommend to shareholders any act the Business Corporation Act of 1983 requires to be approved by shareholders;
- (3) fill vacancies on the Board or on any of its committees;
- (4) elect or remove Officers or fix the compensation of any member of the Committee;
- (5) adopt, amend or repeal the By-Laws;
- (6) approve a plan of merger not requiring shareholder approval;
- (7) authorize or approve reacquisition of shares, except according to a general formula or method prescribed by the Board;
- (8) authorize or approve the issuance or sale, or contract for sale, of shares, except that the Board may direct the Committee (i) to fix the specific terms of the issuance or sale or contract for sale, including without limitation the pricing terms or the designation and relative rights, preferences, and limitations of a series of shares if the Board has approved the maximum number of shares to be issued pursuant to such delegated authority, or (ii) to fix the price and the number of shares to be allocated to particular employees under an employee benefit plan; or
- (9) amend, alter, repeal, or take action inconsistent with any resolution or action of the Board of Directors when the resolution or action of the Board of Directors provides by its terms that it shall not be amended, altered or repealed by action of the Committee.

SECTION 4. AUDIT COMMITTEE. The Board of Directors shall appoint an Audit Committee. The composition of the members and the duties of such committee shall be as set forth in the Audit Committee Charter.

SECTION 5. COMPENSATION COMMITTEE. The Board of Directors shall appoint a Compensation Committee. The composition of the members and the duties of such committee shall be as set forth in the Compensation Committee Charter.

SECTION 6. NOMINATIONS AND GOVERNANCE COMMITTEE. The Board of Directors shall appoint a Nominations and Governance Committee. The composition of the members and the duties of such committee shall be as set forth in the Nominations and Governance Committee Charter.

SECTION 7. PUBLIC POLICY COMMITTEE. The Board of Directors shall appoint a Public Policy Committee. The composition of the members and the duties of such committee shall be as set forth in the Public Policy Committee Charter.

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**ARTICLE V****OFFICERS**

**SECTION 1. NUMBER.** The Officers of the Corporation shall be the Chairman of the Board, the Chief Executive Officer, one or more Presidents, one or more Executive, Group or Senior Vice Presidents, one or more Vice Presidents, a Treasurer, a Secretary, a Controller, a General Counsel and such Assistant Treasurers and Assistant Secretaries as the Board of Directors may elect or the Chairman of the Board may appoint. Any two offices may be held by the same person.

**SECTION 2. ELECTION AND TERM OF OFFICE.** The Board of Directors may elect any Officer. The Chairman of the Board may appoint any Vice President, a Controller, a Treasurer, a Secretary and any Assistant Treasurers and Assistant Secretaries.

The Officers of the Corporation shall be elected or appointed annually. Each year, the Board of Directors shall elect Officers at the first meeting of the Board of Directors held after the annual meeting of shareholders. If the Board of Directors does not elect Officers at such meeting, such election shall be held as soon thereafter as conveniently may be. Each year, immediately following the election of Officers by the Board of Directors or as soon thereafter as conveniently may be, the Chairman of the Board shall appoint such additional Officers within the scope of the Chairman's authority as the Chairman deems necessary or appropriate.

Vacancies or new offices may be filled at any time as set forth in Section 4 of this Article V.

Each Officer shall hold office until his or her successor shall have been duly elected or appointed and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided.

**SECTION 3. REMOVAL OF OFFICERS.** Any Officer may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby. Any Officer appointed by the Chairman of the Board may be removed by the Chairman whenever, in the Chairman's judgment, the best interests of the Corporation will be served thereby.

**SECTION 4. VACANCIES.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term. A vacancy in any office appointed by the Chairman of the Board may be filled by the Chairman of the Board for the unexpired portion of the term.

**SECTION 5. CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER.** The Chairman shall preside at all meetings of the Board of Directors and the shareholders. The Chief Executive Officer shall be responsible for the overall management of the Corporation subject to the direction of the Board of Directors.

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SECTION 6. PRESIDENT. Each President shall be the Chief Operating Officer of a major area of the Corporation's activities and shall perform such duties as may be prescribed by the Board of Directors or the Chief Executive Officer.

SECTION 7. EXECUTIVE, GROUP AND SENIOR VICE PRESIDENTS. Each Executive, Group, or Senior Vice President shall be responsible for supervising and coordinating a major area of the Corporation's activities subject to the direction of the Chief Executive Officer or a President.

SECTION 8. VICE PRESIDENTS. Each of the Vice Presidents shall be responsible for those activities designated by an Executive, Group, or Senior Vice President, a President, the Chief Executive Officer, or the Board of Directors.

SECTION 9. TREASURER. The Treasurer shall administer the investment, financing, insurance and credit activities of the Corporation.

SECTION 10. SECRETARY. The Secretary will be the custodian of the corporate records and of the seal of the Corporation, will countersign certificates for shares of the Corporation, and in general will perform all duties incident to the office of the Secretary. The Secretary shall have the authority to certify the By-Laws, resolutions of the shareholders and the Board of Directors and committees thereof, and other documents of the Corporation as true and correct copies hereof.

SECTION 11. CONTROLLER. The Controller will conduct the accounting activities of the Corporation, including the maintenance of the Corporation's general and supporting ledgers and books of account, operating budgets, and the preparation and consolidation of financial statements.

SECTION 12. GENERAL COUNSEL. The General Counsel will be the chief consultant of the Corporation on legal matters. He or she will supervise all matters of legal import concerning the interests of the Corporation.

SECTION 13. ASSISTANT TREASURER. The Assistant Treasurer shall, in the absence or incapacity of the Treasurer, perform the duties and exercise the powers of the Treasurer, and shall perform such other duties as shall from time to time be given to him or her by the Treasurer.

SECTION 14. ASSISTANT SECRETARY. The Assistant Secretary shall, in the absence or incapacity of the Secretary, perform the duties and exercise the powers of the Secretary, and shall perform such other duties as shall from time to time be given to him or her by the Secretary. The Assistant Secretary shall be, with the Secretary, keeper of the books, records, and the seal of the Corporation, and shall have the authority to certify the By-Laws, resolutions and other documents of the Corporation.

SECTION 15. GENERAL POWERS OF OFFICERS. The Chairman of the Board, the Chief Executive Officer, any President, and any Executive, Group or Senior Vice President, may sign

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without countersignature any deeds, mortgages, bonds, contracts, reports to public agencies, or other instruments whether or not the Board of Directors has expressly authorized execution of such instruments, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws solely to some other Officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed. Any other Officer of this Corporation may sign contracts, reports to public agencies, or other instruments which are in the regular course of business and within the scope of his or her authority, except where signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other Officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.

## **ARTICLE VI**

### **CERTIFICATES FOR SHARES AND THEIR TRANSFER**

**SECTION 1. CERTIFICATES FOR SHARES.** Certificates representing shares of the Corporation shall be in such form as may be determined by the Board of Directors. Such certificates shall be signed by any one of the Chairman of the Board, the Chief Executive Officer, a President or an Executive Vice President, and shall be countersigned by the Secretary or an Assistant Secretary and shall be sealed with the seal, or a facsimile of the seal, of the Corporation. If a certificate is countersigned by a Transfer Agent or Registrar, other than the Corporation itself or its employee, any other signatures or countersignature on the certificate may be facsimiles. In case any Officer of the Corporation, or any officer or employee of the Transfer Agent or Registrar who has signed or whose facsimile signature has been placed upon such certificate ceases to be an Officer of the Corporation, or an officer or employee of the Transfer Agent or Registrar before such certificate is issued, the certificate may be issued by the Corporation with the same effect as if the Officer of the Corporation, or the officer or employee of the Transfer Agent or Registrar had not ceased to be such at the date of its issue. Each certificate representing shares shall state: that the Corporation is organized under the laws of the State of Illinois; the name of the person to whom issued; the number and class of shares; and the designation of the series, if any, which such certificate represents. Each certificate shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled, and no new certificate shall be issued in replacement until the former certificate for a like number of shares shall have been surrendered and canceled, except in the case of lost, destroyed or mutilated certificates.

**SECTION 2. TRANSFER AGENT AND REGISTRAR.** The Board of Directors may from time to time appoint such Transfer Agents and Registrars in such locations as it shall determine, and may, in its discretion, appoint a single entity to act in the capacity of both Transfer Agent and Registrar in any one location.

**SECTION 3. TRANSFER OF SHARES.** Transfers of shares of the Corporation shall be made only on the books of the Corporation at the request of the holder of record thereof or of his attorney, lawfully constituted in writing, and on surrender for cancellation of the certificate

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for such shares. The person in whose name shares stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

**SECTION 4. LOST, DESTROYED OR MUTILATED CERTIFICATES.** In case of lost, destroyed or mutilated certificates, duplicate certificates shall be issued to the person claiming the loss, destruction or mutilation, provided:

- (a) That the claimant furnishes an affidavit stating the facts of such loss, destruction or mutilation so far as known to him or her and further stating that the affidavit is made to induce the Corporation to issue a duplicate certificate or certificates; and that issuance of the duplicate certificate or certificates is approved:
  - (i) in a case involving a certificate or certificates for more than 1,000 shares, by the Chairman of the Board, the Chief Executive Officer, a President, an Executive Vice President, or the Secretary; or
  - (ii) in a case involving a certificate or certificates for 1,000 shares or less, by the Transfer Agent appointed by the Board of Directors for the transfer of the shares represented by such certificate or certificates;

upon receipt of a bond, with one or more sureties, in the amount to be determined by the party giving such approval; or

- (b) that issuance of the said duplicate certificate or certificates is approved by the Board of Directors upon such terms and conditions as it shall determine.

## **ARTICLE VII**

### **FISCAL YEAR**

The fiscal year of the Corporation shall begin on the first day of January in each year and end on the last day of December in each year.

## **ARTICLE VIII**

### **VOTING SHARES OR INTERESTS IN OTHER CORPORATIONS**

The Chairman of the Board, the Chief Executive Officer, a President, an Executive, Group, or Senior Vice President and each of them, shall have the authority to act for the Corporation by voting any shares or exercising any other interest owned by the Corporation in any other corporation or other business association, including wholly or partially owned subsidiaries of the Corporation, such authority to include, but not be limited to, power to attend any meeting of any such corporation or other business association, to vote shares in the election of directors and upon any other matter coming before any such meeting, to waive notice of any such meeting and to consent to the holding thereof without notice, and to appoint a proxy or

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proxies to represent the Corporation at any such meeting with all the powers that the said Officer would have under this section if personally present.


**ARTICLE IX**

**DISTRIBUTIONS TO SHAREHOLDERS**

The Board of Directors may authorize, and the Corporation may make, distributions to its shareholders, subject to any restriction in the Articles of Incorporation and subject also to the limitations prescribed by law.

**ARTICLE X**

**SEAL**

The Corporate Seal of the Corporation shall be in the form of a circle in the center of which is the insignia  and shall have inscribed thereon the name of the Corporation and the words "an Illinois Corporation."

**ARTICLE XI**

**WAIVER OF NOTICE**

Whenever any notice whatever is required to be given under the provisions of these By-Laws or under the provisions of the Articles of Incorporation or under the provisions of The Business Corporation Act of 1983, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Attendance at any meeting shall constitute waiver of notice thereof unless the person at the meeting objects to the holding of the meeting because proper notice was not given.

**ARTICLE XII**

**AMENDMENTS**

These By-Laws may be made, altered, amended or repealed by the shareholders or the Board of Directors.

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QuickLinks

[Exhibit 3.1](#)

[BY-LAWS OF ABBOTT LABORATORIES](#)

NON-QUALIFIED SPLIT AGREEMENT

ABBOTT LABORATORIES  
1996 INCENTIVE STOCK PROGRAM  
INCENTIVE AND NON-QUALIFIED STOCK OPTIONS

ABBOTT LABORATORIES (THE "COMPANY") HEREBY GRANTS TO  
«FIRST\_NAME» «MI» «LAST\_NAME» (THE "EMPLOYEE").  
«SSN»

A NON-QUALIFIED STOCK OPTION TO PURCHASE FROM TIME TO TIME ALL OR ANY PART OF A TOTAL OF «NQSOS» COMMON SHARES OF THE COMPANY IDENTIFIED ABOVE AS BEING SUBJECT TO THIS NON-QUALIFIED STOCK OPTION, AT THE PRICE OF «PRICE» PER SHARE, AND HAS CONTEMPORANEOUSLY GRANTED TO THE EMPLOYEE AN INCENTIVE STOCK OPTION TO PURCHASE FROM TIME TO TIME ALL OR ANY PART OF THE TOTAL NUMBER OF COMMON SHARES OF THE COMPANY IDENTIFIED IN THE ACCOMPANYING AGREEMENT CAPTIONED AS "INCENTIVE SPLIT AGREEMENT" ("ACCOMPANYING SPLIT AGREEMENT") AS BEING SUBJECT TO THE INCENTIVE STOCK OPTION, AT THE PRICE PER SHARE IDENTIFIED IN THE ACCOMPANYING SPLIT AGREEMENT (SUCH PRICES BEING NOT LESS THAN 100% OF THE FAIR MARKET VALUE OF THE SHARES ON THE DATE HEREOF). THESE OPTIONS ARE GRANTED UPON THE TERMS AND CONDITIONS SET FORTH BELOW. IN ADDITION, THE INCENTIVE STOCK OPTION IS GRANTED PURSUANT TO SECTION 422 OF THE INTERNAL REVENUE CODE OF 1986 (THE "CODE").

THESE OPTIONS ARE GRANTED THIS «Grant\_Day» DAY OF «Grant\_Month Year», UNDER THE COMPANY'S 1996 INCENTIVE STOCK PROGRAM (HEREIN CALLED THE "PROGRAM") FOR THE PURPOSE OF FURNISHING TO THE EMPLOYEE AN APPROPRIATE INCENTIVE TO IMPROVE OPERATIONS AND INCREASE PROFITS AND ENCOURAGING THE EMPLOYEE TO CONTINUE EMPLOYMENT WITH THE COMPANY AND ITS SUBSIDIARIES. THESE OPTIONS INCORPORATE AND ARE SUBJECT TO, THE PROVISIONS OF THE PROGRAM. TERMS USED HEREIN SHALL HAVE THE SAME MEANING AS IN THE PROGRAM, AND IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PROVISIONS HEREOF AND THE PROVISIONS OF THE PROGRAM THE PROGRAM SHALL CONTROL.

THE TERMS AND CONDITIONS OF THE OPTIONS ARE AS FOLLOWS:

1. THESE OPTIONS MAY, BUT NEED NOT, BE EXERCISED IN INSTALLMENTS, BUT MAY BE EXERCISED ONLY TO THE EXTENT, AND WITHIN THE TIME PERIODS, DESCRIBED BELOW. DURING THE LIFETIME OF THE EMPLOYEE THESE OPTIONS MAY BE EXERCISED ONLY BY THE EMPLOYEE AND (EXCEPT AS PROVIDED BELOW) ONLY WHILE IN THE EMPLOY OF THE COMPANY OR ANY OF ITS SUBSIDIARIES.
2. THESE OPTIONS MAY BE EXERCISED ONLY ON OR AFTER THE FIRST ANNIVERSARY OF THE GRANT DATE. TERMINATION OF EMPLOYMENT BEFORE THE FIRST ANNIVERSARY OF THE GRANT DATE WILL TERMINATE ALL RIGHTS UNDER THE OPTIONS (UNLESS THE TERMINATION IS FOR REASON OF RETIREMENT, DISABILITY OR DEATH, OR FOR REASON OTHER THAN RETIREMENT, DISABILITY OR DEATH AND THE FIRST ANNIVERSARY OF THE GRANT DATE OCCURS WITHIN THE THREE (3) MONTH PERIOD DESCRIBED IN PARAGRAPH 4).

(NOTE: ALTHOUGH THESE OPTIONS IN CERTAIN CIRCUMSTANCES MAY BE EXERCISED MORE THAN THREE MONTHS AFTER TERMINATION OF EMPLOYMENT, UNDER SECTION 422 OF THE CODE THE INCENTIVE STOCK OPTION MUST BE EXERCISED WITHIN THREE MONTHS AFTER TERMINATION FOR ANY REASON OTHER THAN DISABILITY OR DEATH TO QUALIFY FOR INCENTIVE STOCK OPTION TAX TREATMENT.)

3. ON THE FIRST ANNIVERSARY OF THE GRANT DATE ONE-THIRD OF THE TOTAL NUMBER OF SHARES (ROUNDED UP) COVERED BY THESE OPTIONS MAY BE PURCHASED; ON THE SECOND ANNIVERSARY OF THE GRANT DATE TWO-THIRDS OF THE TOTAL NUMBER OF SHARES (ROUNDED UP) COVERED BY THESE OPTIONS MAY BE PURCHASED; AND ON THE



THIRD ANNIVERSARY OF THE GRANT DATE THESE OPTIONS SHALL BE EXERCISABLE IN FULL. THE SHARES COVERED BY THE INCENTIVE STOCK OPTION SHALL BE APPLIED FIRST TO EACH SUCH INSTALLMENT TO THE MAXIMUM EXTENT ALLOWABLE UNDER SECTION 422(D) OF THE CODE AND PARAGRAPH 6 OF THE PROGRAM UNTIL EXHAUSTED AND THE SHARES COVERED BY THE NON-QUALIFIED STOCK OPTION SHALL BE APPLIED SECOND, TO THE BALANCE OF SUCH INSTALLMENTS UNTIL EXHAUSTED. IN THE EVENT OF TERMINATION OF EMPLOYMENT, THE NUMBER OF SHARES WHICH MAY BE PURCHASED PURSUANT TO THIS PARAGRAPH SHALL BE DETERMINED AS IF THE EMPLOYEE CONTINUED TO BE EMPLOYED BY THE COMPANY DURING THE PERIODS REFERRED TO IN PARAGRAPHS 4, 5, 6, 7, 8 AND 9 OF THE OPTIONS. THE RIGHT TO PURCHASE SHALL CUMULATE SO THAT SHARES MAY BE PURCHASED AT ANY TIME AFTER BECOMING ELIGIBLE FOR PURCHASE UNTIL TERMINATION OF THE OPTIONS.

4. SUBJECT TO PARAGRAPHS 10 AND 11, IF EMPLOYMENT OF THE EMPLOYEE WITH THE COMPANY AND ITS SUBSIDIARIES TERMINATES, FOR ANY REASON OTHER THAN RETIREMENT, DISABILITY OR DEATH, THIS OPTION MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THREE (3) MONTHS AFTER THE EMPLOYEE'S LAST DAY OF WORK, BUT NOT BEYOND THE TERMS OF THE OPTIONS.
5. SUBJECT TO PARAGRAPHS 10 AND 11, IF THE EMPLOYEE SHOULD RETIRE UNDER THE ABBOTT LABORATORIES ANNUITY RETIREMENT PLAN OR ANY OTHER PENSION OR RETIREMENT PLAN OF THE COMPANY OR A SUBSIDIARY, THESE OPTIONS MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTIONS.
6. SUBJECT TO PARAGRAPHS 10 AND 11, IF THE EMPLOYMENT OF THE EMPLOYEE WITH THE COMPANY AND ITS SUBSIDIARIES TERMINATES DUE TO DISABILITY, THESE OPTIONS MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTIONS.
7. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING EMPLOYMENT, THE OPTIONS MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTIONS AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTIONS HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
8. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING THE THREE (3) MONTH PERIOD REFERRED TO IN PARAGRAPH 4 OF THESE OPTIONS, THESE OPTIONS MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THREE (3) MONTHS AFTER SUCH DEATH, BUT NOT BEYOND THE TERM OF THE OPTIONS AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTIONS HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
9. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING THE PERIODS REFERRED TO IN PARAGRAPHS 5 OR 6 OF THESE OPTIONS, THE OPTIONS MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTIONS AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTIONS HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
10. NOTWITHSTANDING PARAGRAPHS 4, 5 AND 6, THESE OPTIONS SHALL IMMEDIATELY TERMINATE IN THE EVENT THE EMPLOYEE ENGAGES, DIRECTLY OR INDIRECTLY, FOR THE BENEFIT OF THE EMPLOYEE OR OTHERS, IN ANY ACTIVITY, EMPLOYMENT OR BUSINESS DURING EMPLOYMENT OR WITHIN TWELVE (12) MONTHS AFTER THE DATE OF TERMINATION OR RETIREMENT WHICH, IN THE SOLE OPINION AND DISCRETION OF THE COMPENSATION COMMITTEE OR ITS DELEGATE, IS COMPETITIVE WITH THE COMPANY OR ANY OF ITS SUBSIDIARIES.

11. NOTWITHSTANDING PARAGRAPHS 4, 5, AND 6, THESE OPTIONS SHALL IMMEDIATELY TERMINATE, IF IN THE SOLE OPINION AND DISCRETION OF THE COMPENSATION COMMITTEE OR ITS DELEGATE, THE EMPLOYEE (A) ENGAGES IN A MATERIAL BREACH OF THE COMPANY'S CODE OF BUSINESS CONDUCT; (B) COMMITS AN ACT OF FRAUD, EMBEZZLEMENT OR THEFT IN CONNECTION WITH THE EMPLOYEE'S DUTIES OR IN THE COURSE OF EMPLOYMENT; OR (C) WRONGFULLY DISCLOSES SECRET PROCESSES OR CONFIDENTIAL INFORMATION OF THE COMPANY OR ITS SUBSIDIARIES.
12. THESE OPTIONS MAY NOT UNDER ANY CIRCUMSTANCES BE EXERCISED ON OR AFTER THE TENTH (10) ANNIVERSARY OF THE GRANT DATE.
13. NOTHING HEREIN CONFERS UPON THE EMPLOYEE ANY RIGHT TO CONTINUE IN THE EMPLOY OF THE COMPANY OR OF ANY SUBSIDIARY.
14. THESE OPTIONS ARE NOT TRANSFERABLE OTHERWISE THAN BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION AND ARE EXERCISABLE DURING THE EMPLOYEE'S LIFETIME ONLY BY THE EMPLOYEE. THEY MAY NOT BE ASSIGNED, TRANSFERRED (EXCEPT AS AFORESAID), PLEDGED OR HYPOTHECATED IN ANY WAY, WHETHER BY OPERATION OF LAW OR OTHERWISE, AND SHALL NOT BE SUBJECT TO EXECUTION, ATTACHMENT, OR SIMILAR PROCESS. ANY ATTEMPT AT ASSIGNMENT, TRANSFER, PLEDGE, HYPOTHECATION, OR OTHER DISPOSITION OF THESE OPTIONS CONTRARY TO THE PROVISIONS HEREOF, AND THE LEVY OF ANY ATTACHMENT OR SIMILAR PROCESS UPON THESE OPTIONS, SHALL BE NULL AND VOID AND WITHOUT EFFECT.
15. THESE OPTIONS MAY BE EXERCISED ONLY BY DELIVERING TO THE SECRETARY OR OTHER DESIGNATED EMPLOYEE OR AGENT OF THE COMPANY A WRITTEN, ELECTRONIC, OR TELEPHONIC NOTICE OF EXERCISE, SPECIFYING THE NUMBER OF COMMON SHARES WITH RESPECT TO WHICH THE OPTIONS ARE THEN BEING EXERCISED, AND BY PAYMENT OF THE FULL PURCHASE PRICE OF THE SHARES BEING PURCHASED IN CASH, OR WITH OTHER COMMON SHARES OF THE COMPANY HELD BY THE EMPLOYEE HAVING A THEN FAIR MARKET VALUE EQUAL TO THE PURCHASE PRICE, OR, BY DELIVERY OF A PROPERLY EXECUTED EXERCISE NOTICE TOGETHER WITH A COPY OF IRREVOCABLE INSTRUCTIONS TO A BROKER TO DELIVER PROMPTLY TO THE COMPANY THE AMOUNT OF SALE OR LOAN PROCEEDS TO PAY THE PURCHASE PRICE, OR A COMBINATION THEREOF, PLUS (FOR EXERCISES OF NON-QUALIFIED OPTIONS) PAYMENT IN CASH OR, SUBJECT TO THE APPROVAL OF THE COMPENSATION COMMITTEE, BY WITHHOLDING OF COMMON SHARES OF THE COMPANY, OF THE FULL AMOUNT OF ANY TAXES WHICH THE COMPANY BELIEVES ARE REQUIRED TO BE WITHHELD AND PAID WITH RESPECT TO SUCH EXERCISE, AND IN THE EVENT THE OPTIONS ARE BEING EXERCISED BY A PERSON OR PERSONS OTHER THAN THE EMPLOYEE, SUCH APPROPRIATE TAX CLEARANCES, PROOF OF THE RIGHT OF SUCH PERSON OR PERSONS TO EXERCISE THE OPTIONS, AND OTHER PERTINENT DATA AS THE COMPANY MAY DEEM NECESSARY.
16. THE COMPANY SHALL NOT BE REQUIRED TO ISSUE OR DELIVER ANY SHARES PURCHASED UPON ANY EXERCISE PENDING COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE SECURITIES AND OTHER LAWS (INCLUDING ANY REGISTRATION REQUIREMENTS) AND COMPLIANCE WITH THE RULES AND PRACTICES OF ANY STOCK EXCHANGE UPON WHICH THE COMPANY'S COMMON SHARES ARE LISTED.
17. THE EMPLOYEE MAY SATISFY ANY FEDERAL, STATE AND LOCAL TAXES ARISING FROM ANY TRANSACTION RELATED TO THESE OPTIONS BY (1) HAVING THE COMPANY WITHHOLD COMMON SHARES FROM THE OPTIONS TO SATISFY THE MINIMUM APPLICABLE WITHHOLDING TAX OR (2) DELIVERING OTHER PREVIOUSLY ACQUIRED COMMON SHARES OF THE COMPANY HAVING A FAIR MARKET VALUE APPROXIMATELY EQUAL TO THE AMOUNT TO BE WITHHELD.
18. NEITHER THESE OPTIONS, SHARES ISSUED UPON THEIR EXERCISE, ANY EXCESS OF MARKET VALUE OVER OPTION PRICE, NOR ANY OTHER RIGHTS, BENEFITS, VALUES OR INTEREST RESULTING FROM THE GRANTING OF THESE OPTIONS SHALL BE CONSIDERED AS COMPENSATION FOR PURPOSES OF ANY PENSION OR RETIREMENT PLAN,

INSURANCE PLAN, INVESTMENT OR STOCK PURCHASE PLAN, OR ANY OTHER EMPLOYEE BENEFIT PLAN OF THE COMPANY OR ANY OF ITS SUBSIDIARIES.

19. THE GRANT OF A STOCK OPTION UNDER THE PROGRAM DOES NOT CREATE ANY CONTRACTUAL OR OTHER RIGHT TO RECEIVE ADDITIONAL STOCK OPTION GRANTS OR OTHER PROGRAM BENEFITS IN THE FUTURE. NOTHING CONTAINED IN THIS AGREEMENT IS INTENDED TO CREATE OR ENLARGE ANY OTHER CONTRACTUAL OBLIGATIONS BETWEEN THE COMPANY AND THE EMPLOYEE. FUTURE GRANTS, IF ANY, AND THEIR TERMS AND CONDITIONS, WILL BE AT THE SOLE DISCRETION OF THE COMPENSATION COMMITTEE. ANY VALUE ASSOCIATED WITH A STOCK OPTION GRANTED UNDER THE PROGRAM IS AN ITEM OF COMPENSATION OUTSIDE THE SCOPE OF THE EMPLOYEE'S EMPLOYMENT CONTRACT, IF ANY.

IN WITNESS WHEREOF, THE COMPANY HAS CAUSED THESE OPTIONS TO BE EXECUTED BY ITS DULY AUTHORIZED OFFICER AS OF THE GRANT DATE ABOVE SET FORTH.

ABBOTT LABORATORIES

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

QuickLinks

[Exhibit 10.1](#)

ABBOTT LABORATORIES  
1996 INCENTIVE STOCK PROGRAM  
NON-QUALIFIED STOCK OPTION

ABBOTT LABORATORIES (THE "COMPANY") HEREBY GRANTS TO  
«FIRST\_NAME» «MI» «LAST\_NAME» (THE "EMPLOYEE")  
«SSN»

A NON-QUALIFIED STOCK OPTION TO PURCHASE FROM TIME TO TIME ALL OR ANY PART OF A TOTAL OF «NQSOS» COMMON SHARES OF THE COMPANY IDENTIFIED ABOVE AS BEING SUBJECT TO THIS NON-QUALIFIED STOCK OPTION, AT THE PRICE OF «PRICE» PER SHARE, (SUCH PRICE BEING NOT LESS THAN 100% OF THE FAIR MARKET VALUE OF THE SHARES ON THE DATE HEREOF) UPON THE TERMS AND CONDITIONS SET FORTH BELOW AND PURSUANT TO SECTION 422 OF THE INTERNAL REVENUE CODE OF 1986 (THE "CODE").

THIS NON-QUALIFIED STOCK OPTION IS GRANTED THIS«Grant\_Day» DAY OF «Grant\_Month Year», UNDER THE COMPANY'S 1996 INCENTIVE STOCK PROGRAM (HEREIN CALLED THE "PROGRAM") FOR THE PURPOSE OF FURNISHING TO THE EMPLOYEE AN APPROPRIATE INCENTIVE TO IMPROVE OPERATIONS AND INCREASE PROFITS AND ENCOURAGING THE EMPLOYEE TO CONTINUE EMPLOYMENT WITH THE COMPANY AND ITS SUBSIDIARIES. THIS OPTION INCORPORATES AND IS SUBJECT TO, THE PROVISIONS OF THE PROGRAM. TERMS USED HEREIN SHALL HAVE THE SAME MEANING AS IN THE PROGRAM, AND IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PROVISIONS HEREOF AND THE PROVISIONS OF THE PROGRAM THE PROGRAM SHALL CONTROL.

THE TERMS AND CONDITIONS OF THE OPTION ARE AS FOLLOWS:

1. THIS OPTION MAY, BUT NEED NOT, BE EXERCISED IN INSTALLMENTS, BUT MAY BE EXERCISED ONLY TO THE EXTENT, AND WITHIN THE TIME PERIODS, DESCRIBED BELOW. DURING THE LIFETIME OF THE EMPLOYEE THIS OPTION MAY BE EXERCISED ONLY BY THE EMPLOYEE AND (EXCEPT AS PROVIDED BELOW) ONLY WHILE IN THE EMPLOY OF THE COMPANY OR ANY OF ITS SUBSIDIARIES.
2. THIS OPTION MAY BE EXERCISED ONLY ON OR AFTER THE FIRST ANNIVERSARY OF THE GRANT DATE. TERMINATION OF SUCH EMPLOYMENT BEFORE THE FIRST ANNIVERSARY OF THE GRANT DATE WILL TERMINATE ALL RIGHTS UNDER THE OPTION (UNLESS THE TERMINATION IS FOR REASON OF RETIREMENT, DISABILITY OR DEATH OR FOR REASON OTHER THAN RETIREMENT, DISABILITY OR DEATH AND THE FIRST ANNIVERSARY OR THE GRANT DATE OCCURS WITHIN THE THREE (3) MONTH PERIOD DESCRIBED IN PARAGRAPH 4).
3. ON THE FIRST ANNIVERSARY OF THE GRANT DATE ONE-THIRD OF THE TOTAL NUMBER OF SHARES (ROUNDED UP) COVERED BY THIS OPTION MAY BE PURCHASED; ON THE SECOND ANNIVERSARY OF THE GRANT DATE TWO-THIRDS (ROUNDED UP) OF THE TOTAL NUMBER OF SHARES COVERED BY THIS OPTION MAY BE PURCHASED AND ON THE THIRD ANNIVERSARY OF THE GRANT DATE THIS OPTION SHALL BE EXERCISABLE IN FULL. IN THE EVENT OF TERMINATION OF EMPLOYMENT, THE NUMBER OF SHARES WHICH MAY BE PURCHASED PURSUANT TO THIS PARAGRAPH SHALL BE DETERMINED AS IF THE EMPLOYEE CONTINUED TO BE EMPLOYED BY THE COMPANY DURING THE PERIODS REFERRED TO IN PARAGRAPHS 4, 5, 6, 7, 8 AND 9 OF THIS OPTION. THE RIGHT TO PURCHASE SHALL CUMULATE SO THAT SHARES MAY BE PURCHASED AT ANY TIME AFTER BECOMING ELIGIBLE FOR PURCHASE UNTIL TERMINATION OF THE OPTION.

4. SUBJECT TO PARAGRAPHS 10 AND 11, IF EMPLOYMENT OF THE EMPLOYEE WITH THE COMPANY AND ITS SUBSIDIARIES TERMINATES, FOR ANY REASON OTHER THAN RETIREMENT, DISABILITY OR DEATH, THIS OPTION MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THREE (3) MONTHS AFTER THE EMPLOYEE'S LAST DAY OF WORK, BUT NOT BEYOND THE TERM OF THE OPTION.
5. SUBJECT TO PARAGRAPHS 10 AND 11, IF THE EMPLOYEE SHOULD RETIRE UNDER THE ABBOTT LABORATORIES ANNUITY RETIREMENT PLAN OR ANY OTHER PENSION OR RETIREMENT PLAN OF THE COMPANY OR A SUBSIDIARY, THIS OPTION MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTION.
6. SUBJECT TO PARAGRAPHS 10 AND 11, IF THE EMPLOYMENT OF THE EMPLOYEE WITH THE COMPANY AND ITS SUBSIDIARIES TERMINATES DUE TO DISABILITY, THIS OPTION MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTION.
7. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING EMPLOYMENT, THIS OPTION MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTION AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTION HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
8. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING THE THREE (3) MONTH PERIOD REFERRED TO IN PARAGRAPH 4 OF THIS OPTION, THIS OPTION MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THREE (3) MONTHS AFTER SUCH DEATH, BUT NOT BEYOND THE TERM OF THE OPTION AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTION HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
9. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING THE PERIODS REFERRED TO IN PARAGRAPHS 5 OR 6 OF THIS OPTION, THE OPTION MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTION AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTION HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
10. NOTWITHSTANDING PARAGRAPHS 4, 5 AND 6, THIS OPTION SHALL IMMEDIATELY TERMINATE IN THE EVENT THE EMPLOYEE ENGAGES, DIRECTLY OR INDIRECTLY, FOR THE BENEFIT OF THE EMPLOYEE OR OTHERS, IN ANY ACTIVITY, EMPLOYMENT OR BUSINESS DURING EMPLOYMENT OR WITHIN TWELVE (12) MONTHS AFTER THE DATE OF TERMINATION OR RETIREMENT WHICH, IN THE SOLE OPINION AND DISCRETION OF THE COMPENSATION COMMITTEE OR ITS DELEGATE, IS COMPETITIVE WITH THE COMPANY OR ANY OF ITS SUBSIDIARIES.
11. NOTWITHSTANDING PARAGRAPHS 4, 5, AND 6, THESE OPTIONS SHALL IMMEDIATELY TERMINATE, IF IN THE SOLE OPINION AND DISCRETION OF THE COMPENSATION COMMITTEE OR ITS DELEGATE, THE EMPLOYEE (A) ENGAGES IN A MATERIAL BREACH OF THE COMPANY'S CODE OF BUSINESS CONDUCT; (B) COMMITS AN ACT OF FRAUD, EMBEZZLEMENT OR THEFT IN CONNECTION WITH THE EMPLOYEE'S DUTIES OR IN THE COURSE OF EMPLOYMENT; OR (C) WRONGFULLY DISCLOSES SECRET PROCESSES OR CONFIDENTIAL INFORMATION OF THE COMPANY OR ITS SUBSIDIARIES.

12. THIS OPTION MAY NOT UNDER ANY CIRCUMSTANCES BE EXERCISED ON OR AFTER THE TENTH (10) ANNIVERSARY OF THE GRANT DATE.
13. NOTHING HEREIN CONFERS UPON THE EMPLOYEE ANY RIGHT TO CONTINUE IN THE EMPLOY OF THE COMPANY OR OF ANY SUBSIDIARY.
14. THIS OPTION IS NOT TRANSFERABLE OTHERWISE THAN BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION AND IS EXERCISABLE DURING THE EMPLOYEE'S LIFETIME ONLY BY THE EMPLOYEE. IT MAY NOT BE ASSIGNED, TRANSFERRED (EXCEPT AS AFORESAID), PLEDGED OR HYPOTHECATED IN ANY WAY, WHETHER BY OPERATION OF LAW OR OTHERWISE, AND SHALL NOT BE SUBJECT TO EXECUTION, ATTACHMENT, OR SIMILAR PROCESS. ANY ATTEMPT AT ASSIGNMENT, TRANSFER, PLEDGE, HYPOTHECATION, OR OTHER DISPOSITION OF THIS OPTION CONTRARY TO THE PROVISIONS HEREOF, AND THE LEVY OF ANY ATTACHMENT OR SIMILAR PROCESS UPON THIS OPTION, SHALL BE NULL AND VOID AND WITHOUT EFFECT.
15. THIS OPTION MAY BE EXERCISED ONLY BY DELIVERING TO THE SECRETARY OR OTHER DESIGNATED EMPLOYEE OR AGENT OF THE COMPANY A WRITTEN, ELECTRONIC, OR TELEPHONIC NOTICE OF EXERCISE, SPECIFYING THE NUMBER OF COMMON SHARES WITH RESPECT TO WHICH THE OPTION IS THEN BEING EXERCISED, AND BY PAYMENT OF THE FULL PURCHASE PRICE OF THE SHARES BEING PURCHASED IN CASH, OR WITH OTHER COMMON SHARES OF THE COMPANY HELD BY THE EMPLOYEE HAVING A THEN FAIR MARKET VALUE EQUAL TO THE PURCHASE PRICE, OR BY THE DELIVERY OF A PROPERLY EXECUTED EXERCISE NOTICE TOGETHER WITH A COPY OF IRREVOCABLE INSTRUCTIONS TO A BROKER TO DELIVER PROMPTLY TO THE COMPANY THE AMOUNT OF SALE OR LOAN PROCEEDS TO PAY THE PURCHASE PRICE, OR A COMBINATION THEREOF, PLUS PAYMENT IN CASH OR, SUBJECT TO APPROVAL OF THE COMPENSATION COMMITTEE, BY WITHHOLDING OF COMMON SHARES OF THE COMPANY, OF THE FULL AMOUNT OF ANY TAXES WHICH THE COMPANY BELIEVES ARE REQUIRED TO BE WITHHELD AND PAID WITH RESPECT TO SUCH EXERCISE, AND IN THE EVENT THE OPTION IS BEING EXERCISED BY A PERSON OR PERSONS OTHER THAN THE EMPLOYEE, SUCH APPROPRIATE TAX CLEARANCES, PROOF OF THE RIGHT OF SUCH PERSON OR PERSONS TO EXERCISE THE OPTION, AND OTHER PERTINENT DATA AS THE COMPANY MAY DEEM NECESSARY.
16. THE COMPANY SHALL NOT BE REQUIRED TO ISSUE OR DELIVER ANY SHARES PURCHASED UPON ANY EXERCISE PENDING COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE SECURITIES AND OTHER LAWS (INCLUDING ANY REGISTRATION REQUIREMENTS) AND COMPLIANCE WITH THE RULES AND PRACTICES OF ANY STOCK EXCHANGE UPON WHICH THE COMPANY'S COMMON SHARES ARE LISTED.
17. THE EMPLOYEE MAY SATISFY ANY FEDERAL, STATE AND LOCAL TAXES ARISING FROM ANY TRANSACTION RELATED TO THIS OPTION BY (1) HAVING THE COMPANY WITHHOLD COMMON SHARES FROM THE OPTION TO SATISFY THE MINIMUM APPLICABLE WITHHOLDING TAX OR (2) DELIVERING OTHER PREVIOUSLY ACQUIRED COMMON SHARES OF THE COMPANY HAVING A FAIR MARKET VALUE APPROXIMATELY EQUAL TO THE AMOUNT TO BE WITHHELD.
18. NEITHER THIS OPTION, SHARES ISSUED UPON ITS EXERCISE, ANY EXCESS OF MARKET VALUE OVER OPTION PRICE, NOR ANY OTHER RIGHTS, BENEFITS, VALUES OR INTEREST RESULTING FROM THE GRANTING OF THIS OPTION SHALL BE CONSIDERED AS COMPENSATION FOR PURPOSES OF ANY PENSION OR RETIREMENT PLAN, INSURANCE PLAN, INVESTMENT OR STOCK PURCHASE PLAN, OR ANY OTHER EMPLOYEE BENEFIT PLAN OF THE COMPANY OR ANY OF ITS SUBSIDIARIES.

19. THE GRANT OF A STOCK OPTION UNDER THE PROGRAM DOES NOT CREATE ANY CONTRACTUAL OR OTHER RIGHT TO RECEIVE ADDITIONAL STOCK OPTION GRANTS OR OTHER PROGRAM BENEFITS IN THE FUTURE. NOTHING CONTAINED IN THIS AGREEMENT IS INTENDED TO CREATE OR ENLARGE ANY OTHER CONTRACTUAL OBLIGATIONS BETWEEN THE COMPANY AND THE EMPLOYEE. FUTURE GRANTS, IF ANY, AND THEIR TERMS AND CONDITIONS, WILL BE AT THE SOLE DISCRETION OF THE COMPENSATION COMMITTEE. ANY VALUE ASSOCIATED WITH A STOCK OPTION GRANTED UNDER THE PROGRAM IS AN ITEM OF COMPENSATION OUTSIDE THE SCOPE OF THE EMPLOYEE'S EMPLOYMENT CONTRACT, IF ANY.

IN WITNESS WHEREOF, THE COMPANY HAS CAUSED THIS OPTION TO BE EXECUTED BY ITS DULY AUTHORIZED OFFICER AS OF THE GRANT DATE ABOVE SET FORTH.

ABBOTT LABORATORIES

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER



QuickLinks

[Exhibit 10.2](#)

INCENTIVE SPLIT AGREEMENT

ABBOTT LABORATORIES  
1996 INCENTIVE STOCK PROGRAM  
INCENTIVE AND NON-QUALIFIED STOCK OPTIONS

ABBOTT LABORATORIES (THE "COMPANY") HEREBY GRANTS TO  
«FIRST\_NAME» «MI» «LAST\_NAME» (THE "EMPLOYEE").  
«SSN»

AN INCENTIVE STOCK OPTION TO PURCHASE FROM TIME TO TIME ALL OR ANY PART OF A TOTAL OF «ISOs» COMMON SHARES OF THE COMPANY IDENTIFIED ABOVE AS BEING SUBJECT TO THE INCENTIVE STOCK OPTION, AT THE PRICE OF «PRICE» PER SHARE, AND HAS CONTEMPORANEOUSLY GRANTED TO THE EMPLOYEE A NON-QUALIFIED STOCK OPTION TO PURCHASE FROM TIME TO TIME ALL OR ANY PART OF THE TOTAL NUMBER OF COMMON SHARES OF THE COMPANY IDENTIFIED IN THE ACCOMPANYING AGREEMENT CAPTIONED "NON-QUALIFIED SPLIT AGREEMENT" ("ACCOMPANYING SPLIT AGREEMENT") AS BEING SUBJECT TO THE NON-QUALIFIED STOCK OPTION, AT THE PRICE PER SHARE IDENTIFIED IN THE ACCOMPANYING SPLIT AGREEMENT (SUCH PRICES BEING NOT LESS THAN 100% OF THE FAIR MARKET VALUE OF THE SHARES ON THE DATE HEREOF). THESE OPTIONS ARE GRANTED UPON THE TERMS AND CONDITIONS SET FORTH BELOW. IN ADDITION, THE INCENTIVE STOCK OPTION IS GRANTED PURSUANT TO SECTION 422 OF THE INTERNAL REVENUE CODE OF 1986 (THE "CODE").

THESE OPTIONS ARE GRANTED THIS «Grant\_Day» DAY OF «Grant\_Month Year», UNDER THE COMPANY'S 1996 INCENTIVE STOCK PROGRAM (HEREIN CALLED THE "PROGRAM") FOR THE PURPOSE OF FURNISHING TO THE EMPLOYEE AN APPROPRIATE INCENTIVE TO IMPROVE OPERATIONS AND INCREASE PROFITS AND ENCOURAGING THE EMPLOYEE TO CONTINUE EMPLOYMENT WITH THE COMPANY AND ITS SUBSIDIARIES. THESE OPTIONS INCORPORATE AND ARE SUBJECT TO, THE PROVISIONS OF THE PROGRAM. TERMS USED HEREIN SHALL HAVE THE SAME MEANING AS IN THE PROGRAM, AND IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PROVISIONS HEREOF AND THE PROVISIONS OF THE PROGRAM THE PROGRAM SHALL CONTROL.

THE TERMS AND CONDITIONS OF THE OPTIONS ARE AS FOLLOWS:

1. THESE OPTIONS MAY, BUT NEED NOT, BE EXERCISED IN INSTALLMENTS, BUT MAY BE EXERCISED ONLY TO THE EXTENT, AND WITHIN THE TIME PERIODS, DESCRIBED BELOW. DURING THE LIFETIME OF THE EMPLOYEE THESE OPTIONS MAY BE EXERCISED ONLY BY THE EMPLOYEE AND (EXCEPT AS PROVIDED BELOW) ONLY WHILE IN THE EMPLOY OF THE COMPANY OR ANY OF ITS SUBSIDIARIES.
2. THESE OPTIONS MAY BE EXERCISED ONLY ON OR AFTER THE FIRST ANNIVERSARY OF THE GRANT DATE. TERMINATION OF EMPLOYMENT BEFORE THE FIRST ANNIVERSARY OF THE GRANT DATE WILL TERMINATE ALL RIGHTS UNDER THE OPTIONS (UNLESS THE TERMINATION IS FOR REASON OF RETIREMENT, DISABILITY OR DEATH, OR FOR REASON OTHER THAN RETIREMENT, DISABILITY OR DEATH AND THE FIRST ANNIVERSARY OF THE GRANT DATE OCCURS WITHIN THE THREE (3) MONTH PERIOD DESCRIBED IN PARAGRAPH 4).

(NOTE: ALTHOUGH THESE OPTIONS IN CERTAIN CIRCUMSTANCES MAY BE EXERCISED MORE THAN THREE MONTHS AFTER TERMINATION OF EMPLOYMENT, UNDER SECTION 422 OF THE CODE THE INCENTIVE STOCK OPTION MUST BE EXERCISED WITHIN THREE MONTHS AFTER TERMINATION FOR ANY REASON OTHER THAN DISABILITY OR DEATH TO QUALIFY FOR INCENTIVE STOCK OPTION TAX TREATMENT.)

3. ON THE FIRST ANNIVERSARY OF THE GRANT DATE ONE-THIRD OF THE TOTAL NUMBER OF SHARES (ROUNDED UP) COVERED BY THESE OPTIONS MAY BE PURCHASED; ON THE SECOND ANNIVERSARY OF THE GRANT DATE TWO-THIRDS OF THE TOTAL NUMBER OF SHARES (ROUNDED UP) COVERED BY THESE OPTIONS MAY BE PURCHASED; AND ON THE

THIRD ANNIVERSARY OF THE GRANT DATE THESE OPTIONS SHALL BE EXERCISABLE IN FULL. THE SHARES COVERED BY THE INCENTIVE STOCK OPTION SHALL BE APPLIED FIRST TO EACH SUCH INSTALLMENT TO THE MAXIMUM EXTENT ALLOWABLE UNDER SECTION 422(D) OF THE CODE AND PARAGRAPH 6 OF THE PROGRAM UNTIL EXHAUSTED AND THE SHARES COVERED BY THE NON-QUALIFIED STOCK OPTION SHALL BE APPLIED SECOND, TO THE BALANCE OF SUCH INSTALLMENTS UNTIL EXHAUSTED. IN THE EVENT OF TERMINATION OF EMPLOYMENT, THE NUMBER OF SHARES WHICH MAY BE PURCHASED PURSUANT TO THIS PARAGRAPH SHALL BE DETERMINED AS IF THE EMPLOYEE CONTINUED TO BE EMPLOYED BY THE COMPANY DURING THE PERIODS REFERRED TO IN PARAGRAPHS 4, 5, 6, 7, 8 AND 9 OF THE OPTIONS. THE RIGHT TO PURCHASE SHALL CUMULATE SO THAT SHARES MAY BE PURCHASED AT ANY TIME AFTER BECOMING ELIGIBLE FOR PURCHASE UNTIL TERMINATION OF THE OPTIONS.

4. SUBJECT TO PARAGRAPHS 10 AND 11, IF EMPLOYMENT OF THE EMPLOYEE WITH THE COMPANY AND ITS SUBSIDIARIES TERMINATES, FOR ANY REASON OTHER THAN RETIREMENT, DISABILITY OR DEATH, THIS OPTION MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THREE (3) MONTHS AFTER THE EMPLOYEE'S LAST DAY OF WORK, BUT NOT BEYOND THE TERMS OF THE OPTIONS.
5. SUBJECT TO PARAGRAPHS 10 AND 11, IF THE EMPLOYEE SHOULD RETIRE UNDER THE ABBOTT LABORATORIES ANNUITY RETIREMENT PLAN OR ANY OTHER PENSION OR RETIREMENT PLAN OF THE COMPANY OR A SUBSIDIARY, THESE OPTIONS MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTIONS.
6. SUBJECT TO PARAGRAPHS 10 AND 11, IF THE EMPLOYMENT OF THE EMPLOYEE WITH THE COMPANY AND ITS SUBSIDIARIES TERMINATES DUE TO DISABILITY, THESE OPTIONS MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTIONS.
7. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING EMPLOYMENT, THE OPTIONS MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTIONS AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTIONS HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
8. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING THE THREE (3) MONTH PERIOD REFERRED TO IN PARAGRAPH 4 OF THESE OPTIONS, THESE OPTIONS MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THREE (3) MONTHS AFTER SUCH DEATH, BUT NOT BEYOND THE TERM OF THE OPTIONS AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTIONS HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
9. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING THE PERIODS REFERRED TO IN PARAGRAPHS 5 OR 6 OF THESE OPTIONS, THE OPTIONS MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTIONS AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTIONS HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
10. NOTWITHSTANDING PARAGRAPHS 4, 5 AND 6, THESE OPTIONS SHALL IMMEDIATELY TERMINATE IN THE EVENT THE EMPLOYEE ENGAGES, DIRECTLY OR INDIRECTLY, FOR THE BENEFIT OF THE EMPLOYEE OR OTHERS, IN ANY ACTIVITY, EMPLOYMENT OR BUSINESS DURING EMPLOYMENT OR WITHIN TWELVE (12) MONTHS AFTER THE DATE OF TERMINATION OR RETIREMENT WHICH, IN THE SOLE OPINION AND DISCRETION OF THE COMPENSATION COMMITTEE OR ITS DELEGATE, IS COMPETITIVE WITH THE COMPANY OR ANY OF ITS SUBSIDIARIES.

11. NOTWITHSTANDING PARAGRAPHS 4, 5, AND 6, THESE OPTIONS SHALL IMMEDIATELY TERMINATE, IF IN THE SOLE OPINION AND DISCRETION OF THE COMPENSATION COMMITTEE OR ITS DELEGATE, THE EMPLOYEE (A) ENGAGES IN A MATERIAL BREACH OF THE COMPANY'S CODE OF BUSINESS CONDUCT; (B) COMMITS AN ACT OF FRAUD, EMBEZZLEMENT OR THEFT IN CONNECTION WITH THE EMPLOYEE'S DUTIES OR IN THE COURSE OF EMPLOYMENT; OR (C) WRONGFULLY DISCLOSES SECRET PROCESSES OR CONFIDENTIAL INFORMATION OF THE COMPANY OR ITS SUBSIDIARIES.
12. THESE OPTIONS MAY NOT UNDER ANY CIRCUMSTANCES BE EXERCISED ON OR AFTER THE TENTH (10) ANNIVERSARY OF THE GRANT DATE.
13. NOTHING HEREIN CONFERS UPON THE EMPLOYEE ANY RIGHT TO CONTINUE IN THE EMPLOY OF THE COMPANY OR OF ANY SUBSIDIARY.
14. THESE OPTIONS ARE NOT TRANSFERABLE OTHERWISE THAN BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION AND ARE EXERCISABLE DURING THE EMPLOYEE'S LIFETIME ONLY BY THE EMPLOYEE. THEY MAY NOT BE ASSIGNED, TRANSFERRED (EXCEPT AS AFORESAID), PLEDGED OR HYPOTHECATED IN ANY WAY, WHETHER BY OPERATION OF LAW OR OTHERWISE, AND SHALL NOT BE SUBJECT TO EXECUTION, ATTACHMENT, OR SIMILAR PROCESS. ANY ATTEMPT AT ASSIGNMENT, TRANSFER, PLEDGE, HYPOTHECATION, OR OTHER DISPOSITION OF THESE OPTIONS CONTRARY TO THE PROVISIONS HEREOF, AND THE LEVY OF ANY ATTACHMENT OR SIMILAR PROCESS UPON THESE OPTIONS, SHALL BE NULL AND VOID AND WITHOUT EFFECT.
15. THESE OPTIONS MAY BE EXERCISED ONLY BY DELIVERING TO THE SECRETARY OR OTHER DESIGNATED EMPLOYEE OR AGENT OF THE COMPANY A WRITTEN, ELECTRONIC, OR TELEPHONIC NOTICE OF EXERCISE, SPECIFYING THE NUMBER OF COMMON SHARES WITH RESPECT TO WHICH THE OPTIONS ARE THEN BEING EXERCISED, AND BY PAYMENT OF THE FULL PURCHASE PRICE OF THE SHARES BEING PURCHASED IN CASH, OR WITH OTHER COMMON SHARES OF THE COMPANY HELD BY THE EMPLOYEE HAVING A THEN FAIR MARKET VALUE EQUAL TO THE PURCHASE PRICE, OR, BY DELIVERY OF A PROPERLY EXECUTED EXERCISE NOTICE TOGETHER WITH A COPY OF IRREVOCABLE INSTRUCTIONS TO A BROKER TO DELIVER PROMPTLY TO THE COMPANY THE AMOUNT OF SALE OR LOAN PROCEEDS TO PAY THE PURCHASE PRICE, OR A COMBINATION THEREOF, PLUS (FOR EXERCISES OF NON-QUALIFIED OPTIONS) PAYMENT IN CASH OR, SUBJECT TO THE APPROVAL OF THE COMPENSATION COMMITTEE, BY WITHHOLDING OF COMMON SHARES OF THE COMPANY, OF THE FULL AMOUNT OF ANY TAXES WHICH THE COMPANY BELIEVES ARE REQUIRED TO BE WITHHELD AND PAID WITH RESPECT TO SUCH EXERCISE, AND IN THE EVENT THE OPTIONS ARE BEING EXERCISED BY A PERSON OR PERSONS OTHER THAN THE EMPLOYEE, SUCH APPROPRIATE TAX CLEARANCES, PROOF OF THE RIGHT OF SUCH PERSON OR PERSONS TO EXERCISE THE OPTIONS, AND OTHER PERTINENT DATA AS THE COMPANY MAY DEEM NECESSARY.
16. THE COMPANY SHALL NOT BE REQUIRED TO ISSUE OR DELIVER ANY SHARES PURCHASED UPON ANY EXERCISE PENDING COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE SECURITIES AND OTHER LAWS (INCLUDING ANY REGISTRATION REQUIREMENTS) AND COMPLIANCE WITH THE RULES AND PRACTICES OF ANY STOCK EXCHANGE UPON WHICH THE COMPANY'S COMMON SHARES ARE LISTED.
17. THE EMPLOYEE MAY SATISFY ANY FEDERAL, STATE AND LOCAL TAXES ARISING FROM ANY TRANSACTION RELATED TO THESE OPTIONS BY (1) HAVING THE COMPANY WITHHOLD COMMON SHARES FROM THE OPTIONS TO SATISFY THE MINIMUM APPLICABLE WITHHOLDING TAX OR (2) DELIVERING OTHER PREVIOUSLY ACQUIRED COMMON SHARES OF THE COMPANY HAVING A FAIR MARKET VALUE APPROXIMATELY EQUAL TO THE AMOUNT TO BE WITHHELD.
18. NEITHER THESE OPTIONS, SHARES ISSUED UPON THEIR EXERCISE, ANY EXCESS OF MARKET VALUE OVER OPTION PRICE, NOR ANY OTHER RIGHTS, BENEFITS, VALUES OR INTEREST RESULTING FROM THE GRANTING OF THESE OPTIONS SHALL BE CONSIDERED

AS COMPENSATION FOR PURPOSES OF ANY PENSION OR RETIREMENT PLAN, INSURANCE PLAN, INVESTMENT OR STOCK PURCHASE PLAN, OR ANY OTHER EMPLOYEE BENEFIT PLAN OF THE COMPANY OR ANY OF ITS SUBSIDIARIES.

19. THE GRANT OF A STOCK OPTION UNDER THE PROGRAM DOES NOT CREATE ANY CONTRACTUAL OR OTHER RIGHT TO RECEIVE ADDITIONAL STOCK OPTION GRANTS OR OTHER PROGRAM BENEFITS IN THE FUTURE. NOTHING CONTAINED IN THIS AGREEMENT IS INTENDED TO CREATE OR ENLARGE ANY OTHER CONTRACTUAL OBLIGATIONS BETWEEN THE COMPANY AND THE EMPLOYEE. FUTURE GRANTS, IF ANY, AND THEIR TERMS AND CONDITIONS, WILL BE AT THE SOLE DISCRETION OF THE COMPENSATION COMMITTEE. ANY VALUE ASSOCIATED WITH A STOCK OPTION GRANTED UNDER THE PROGRAM IS AN ITEM OF COMPENSATION OUTSIDE THE SCOPE OF THE EMPLOYEE'S EMPLOYMENT CONTRACT, IF ANY.

IN WITNESS WHEREOF, THE COMPANY HAS CAUSED THESE OPTIONS TO BE EXECUTED BY ITS DULY AUTHORIZED OFFICER AS OF THE GRANT DATE ABOVE SET FORTH.

ABBOTT LABORATORIES

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

QuickLinks

[Exhibit 10.3](#)

ABBOTT LABORATORIES  
1996 INCENTIVE STOCK PROGRAM  
INCENTIVE STOCK OPTION

ABBOTT LABORATORIES (THE "COMPANY") HEREBY GRANTS TO  
«FIRST\_NAME» «MI» «LAST\_NAME» (THE "EMPLOYEE")  
«SSN»

AN INCENTIVE STOCK OPTION TO PURCHASE FROM TIME TO TIME ALL OR ANY PART OF A TOTAL OF «ISOs» COMMON SHARES OF THE COMPANY IDENTIFIED ABOVE AS BEING SUBJECT TO THIS INCENTIVE STOCK OPTION AT THE PRICE OF «PRICE» PER SHARE (SUCH PRICE BEING NOT LESS THAN 100% OF THE FAIR MARKET VALUE OF THE SHARES ON THE DATE HEREOF) UPON THE TERMS AND CONDITIONS SET FORTH BELOW AND PURSUANT TO SECTION 422 OF THE INTERNAL REVENUE CODE OF 1986 (THE "CODE").

THIS INCENTIVE STOCK OPTION IS GRANTED THIS «Grant\_Day» DAY OF «Grant\_Month Year», UNDER THE COMPANY'S 1996 INCENTIVE STOCK PROGRAM (HEREIN CALLED THE "PROGRAM") FOR THE PURPOSE OF FURNISHING TO THE EMPLOYEE AN APPROPRIATE INCENTIVE TO IMPROVE OPERATIONS AND INCREASE PROFITS AND ENCOURAGING THE EMPLOYEE TO CONTINUE EMPLOYMENT WITH THE COMPANY AND ITS SUBSIDIARIES. THIS OPTION INCORPORATES AND IS SUBJECT TO, THE PROVISIONS OF THE PROGRAM. TERMS USED HEREIN SHALL HAVE THE SAME MEANING AS IN THE PROGRAM, AND IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PROVISIONS HEREOF AND THE PROVISIONS OF THE PROGRAM THE PROGRAM SHALL CONTROL.

THE TERMS AND CONDITIONS OF THE OPTION ARE AS FOLLOWS:

1. THIS OPTION MAY, BUT NEED NOT, BE EXERCISED IN INSTALLMENTS, BUT MAY BE EXERCISED ONLY TO THE EXTENT, AND WITHIN THE TIME PERIODS DESCRIBED BELOW. DURING THE LIFETIME OF THE EMPLOYEE THIS OPTION MAY BE EXERCISED ONLY BY THE EMPLOYEE AND (EXCEPT AS PROVIDED BELOW) ONLY WHILE IN THE EMPLOY OF THE COMPANY OR ANY OF ITS SUBSIDIARIES.
2. THIS OPTION MAY BE EXERCISED ONLY ON OR AFTER THE FIRST ANNIVERSARY OF THE GRANT DATE. TERMINATION OF EMPLOYMENT BEFORE THE FIRST ANNIVERSARY OF THE GRANT DATE WILL TERMINATE ALL RIGHTS UNDER THE OPTION (UNLESS THE TERMINATION IS FOR REASON OF RETIREMENT, DISABILITY OR DEATH, OR FOR A REASON OTHER THAN RETIREMENT, DISABILITY OR DEATH AND THE FIRST ANNIVERSARY OF THE GRANT DATE OCCURS WITHIN THE THREE (3) MONTH PERIOD DESCRIBED IN PARAGRAPH 4).

(NOTE: ALTHOUGH THIS OPTION IN CERTAIN CIRCUMSTANCES MAY BE EXERCISED MORE THAN THREE MONTHS AFTER TERMINATION OF EMPLOYMENT, UNDER SECTION 422 OF THE CODE THE OPTION MUST BE EXERCISED WITHIN THREE MONTHS AFTER TERMINATION FOR ANY REASON OTHER THAN DISABILITY OR DEATH TO QUALIFY FOR INCENTIVE STOCK OPTION TAX TREATMENT.)

3. ON THE FIRST ANNIVERSARY OF THE GRANT DATE ONE-THIRD OF THE TOTAL NUMBER OF SHARES (ROUNDED UP) COVERED BY THIS OPTION MAY BE PURCHASED; ON THE SECOND ANNIVERSARY OF THE GRANT DATE TWO-THIRDS OF THE TOTAL NUMBER OF SHARES (ROUNDED UP) COVERED BY THIS OPTION MAY BE PURCHASED AND ON THE THIRD ANNIVERSARY OF THE GRANT DATE THIS OPTION SHALL BE EXERCISABLE IN FULL. IN THE EVENT OF TERMINATION OF EMPLOYMENT, THE NUMBER OF SHARES WHICH MAY BE PURCHASED PURSUANT TO THIS PARAGRAPH SHALL BE DETERMINED AS IF THE EMPLOYEE CONTINUED TO BE EMPLOYED BY THE COMPANY DURING THE PERIODS

REFERRED TO IN PARAGRAPHS 4, 5, 6, 7, 8 AND 9 OF THIS OPTION. THE RIGHT TO PURCHASE SHALL CUMULATE SO THAT SHARES MAY BE PURCHASED AT ANY TIME AFTER BECOMING ELIGIBLE FOR PURCHASE UNTIL TERMINATION OF THE OPTION.

4. SUBJECT TO PARAGRAPHS 10 AND 11, IF EMPLOYMENT OF THE EMPLOYEE WITH THE COMPANY AND ITS SUBSIDIARIES TERMINATES, FOR ANY REASON OTHER THAN RETIREMENT, DISABILITY OR DEATH, THIS OPTION MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THREE (3) MONTHS AFTER THE EMPLOYEE'S LAST DAY OF WORK, BUT NOT BEYOND THE TERM OF THE OPTION.
5. SUBJECT TO PARAGRAPHS 10 AND 11, IF THE EMPLOYEE SHOULD RETIRE UNDER THE ABBOTT LABORATORIES ANNUITY RETIREMENT PLAN OR ANY OTHER PENSION OR RETIREMENT PLAN OF THE COMPANY OR A SUBSIDIARY, THIS OPTION MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTION.
6. SUBJECT TO PARAGRAPHS 10 AND 11, IF EMPLOYMENT OF THE EMPLOYEE WITH THE COMPANY AND ITS SUBSIDIARIES TERMINATES DUE TO DISABILITY, THIS OPTION MAY BE EXERCISED BY THE EMPLOYEE TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTION.
7. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING EMPLOYMENT, THIS OPTION MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTION AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTION HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
8. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING THE THREE (3) MONTH PERIOD REFERRED TO IN PARAGRAPH 4 OF THIS OPTION, THIS OPTION MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THREE (3) MONTHS AFTER SUCH DEATH, BUT NOT BEYOND THE TERM OF THE OPTION AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTION HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
9. IN THE EVENT OF DEATH OF THE EMPLOYEE DURING THE PERIODS REFERRED TO IN PARAGRAPHS 5 OR 6 OF THIS OPTION, THIS OPTION MAY BE EXERCISED TO THE EXTENT PERMITTED UNDER PARAGRAPH 3 WITHIN THE TERM OF THE OPTION AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE EMPLOYEE OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTION HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
10. NOTWITHSTANDING PARAGRAPHS 4, 5 AND 6, THIS OPTION SHALL IMMEDIATELY TERMINATE IN THE EVENT THE EMPLOYEE ENGAGES, DIRECTLY OR INDIRECTLY, FOR THE BENEFIT OF THE EMPLOYEE OR OTHERS, IN ANY ACTIVITY, EMPLOYMENT OR BUSINESS DURING EMPLOYMENT OR WITHIN TWELVE (12) MONTHS AFTER THE DATE OF TERMINATION OR RETIREMENT WHICH, IN THE SOLE OPINION AND DISCRETION OF THE COMPENSATION COMMITTEE OR ITS DELEGATE, IS COMPETITIVE WITH THE COMPANY OR ANY OF ITS SUBSIDIARIES.
11. NOTWITHSTANDING PARAGRAPHS 4, 5, AND 6, THESE OPTIONS SHALL IMMEDIATELY TERMINATE, IF IN THE SOLE OPINION AND DISCRETION OF THE COMPENSATION COMMITTEE OR ITS DELEGATE, THE EMPLOYEE (A) ENGAGES IN A MATERIAL BREACH OF THE COMPANY'S CODE OF BUSINESS CONDUCT; (B) COMMITS AN ACT OF FRAUD, EMBEZZLEMENT OR THEFT IN CONNECTION WITH THE EMPLOYEE'S DUTIES OR IN THE COURSE OF EMPLOYMENT; OR (C) WRONGFULLY DISCLOSES SECRET PROCESSES OR CONFIDENTIAL INFORMATION OF THE COMPANY OR ITS SUBSIDIARIES.



12. THIS OPTION MAY NOT UNDER ANY CIRCUMSTANCES BE EXERCISED ON OR AFTER THE TENTH (10) ANNIVERSARY OF THE GRANT DATE.
13. NOTHING HEREIN CONFERS UPON THE EMPLOYEE ANY RIGHT TO CONTINUE IN THE EMPLOY OF THE COMPANY OR OF ANY SUBSIDIARY.
14. THIS OPTION IS NOT TRANSFERABLE OTHERWISE THAN BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION AND IS EXERCISABLE DURING THE EMPLOYEE'S LIFETIME ONLY BY THE EMPLOYEE. IT MAY NOT BE ASSIGNED, TRANSFERRED (EXCEPT AS AFORESAID), PLEDGED OR HYPOTHECATED IN ANY WAY, WHETHER BY OPERATION OF LAW OR OTHERWISE, AND SHALL NOT BE SUBJECT TO EXECUTION, ATTACHMENT, OR SIMILAR PROCESS. ANY ATTEMPT AT ASSIGNMENT, TRANSFER, PLEDGE, HYPOTHECATION, OR OTHER DISPOSITION OF THIS OPTION CONTRARY TO THE PROVISIONS HEREOF AND THE LEVY OF ANY ATTACHMENT OR SIMILAR PROCESS UPON THIS OPTION, SHALL BE NULL AND VOID AND WITHOUT EFFECT.
15. THE OPTION MAY BE EXERCISED ONLY BY DELIVERING TO THE SECRETARY OR OTHER DESIGNATED EMPLOYEE OR AGENT OF THE COMPANY A WRITTEN, ELETRONIC, OR TELEPHONIC NOTICE OF EXERCISE, SPECIFYING THE NUMBER OF COMMON SHARES WITH RESPECT TO WHICH THE OPTION IS THEN BEING EXERCISED, AND BY PAYMENT OF THE FULL PURCHASE PRICE OF THE SHARES BEING PURCHASED IN CASH, OR WITH OTHER COMMON SHARES OF THE COMPANY HELD BY THE EMPLOYEE HAVING A THEN FAIR MARKET VALUE EQUAL TO THE PURCHASE PRICE, OR BY DELIVERY OF A PROPERLY EXECUTED EXERCISE NOTICE TOGETHER WITH A COPY OF IRREVOCABLE INSTRUCTIONS TO A BROKER TO DELIVER PROMPTLY TO THE COMPANY THE AMOUNT OF SALE OR LOAN PROCEEDS TO PAY THE PURCHASE PRICE, OR A COMBINATION THEREOF, AND IN THE EVENT THE OPTION IS BEING EXERCISED BY A PERSON OR PERSONS OTHER THAN THE EMPLOYEE, SUCH APPROPRIATE TAX CLEARANCES, PROOF OF THE RIGHT OF SUCH PERSON OR PERSONS TO EXERCISE THE OPTION, AND OTHER PERTINENT DATA AS THE COMPANY MAY DEEM NECESSARY.
16. THE COMPANY SHALL NOT BE REQUIRED TO ISSUE OR DELIVER ANY SHARES PURCHASED UPON ANY EXERCISE PENDING COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE SECURITIES AND OTHER LAWS (INCLUDING ANY REGISTRATION REQUIREMENTS) AND COMPLIANCE WITH THE RULES AND PRACTICES OF ANY STOCK EXCHANGE UPON WHICH THE COMPANY'S COMMON SHARES ARE LISTED.
17. THE EMPLOYEE MAY SATISFY ANY FEDERAL, STATE AND LOCAL TAXES ARISING FROM ANY TRANSACTION RELATED TO THIS OPTION BY (1) HAVING THE COMPANY WITHHOLD COMMON SHARES FROM THE OPTION TO SATISFY THE MINIMUM APPLICABLE WITHHOLDING TAX OR (2) DELIVERING OTHER PREVIOUSLY ACQUIRED COMMON SHARES OF THE COMPANY HAVING A FAIR MARKET VALUE APPROXIMATELY EQUAL TO THE AMOUNT TO BE WITHHELD.
18. NEITHER THIS OPTION, SHARES ISSUED UPON ITS EXERCISE, ANY EXCESS OF MARKET VALUE OVER OPTION PRICE, NOR ANY OTHER RIGHTS, BENEFITS, VALUES OR INTEREST RESULTING FROM THE GRANTING OF THIS OPTION SHALL BE CONSIDERED AS COMPENSATION FOR PURPOSES OF ANY PENSION OR RETIREMENT PLAN, INSURANCE PLAN, INVESTMENT OR STOCK PURCHASE PLAN, OR ANY OTHER EMPLOYEE BENEFIT PLAN OF THE COMPANY OR ANY OF ITS SUBSIDIARIES.
19. THE GRANT OF A STOCK OPTION UNDER THE PROGRAM DOES NOT CREATE ANY CONTRACTUAL OR OTHER RIGHT TO RECEIVE ADDITIONAL STOCK OPTION GRANTS OR OTHER PROGRAM BENEFITS IN THE FUTURE. NOTHING CONTAINED IN THIS AGREEMENT IS INTENDED TO CREATE OR ENLARGE ANY OTHER CONTRACTUAL OBLIGATIONS BETWEEN THE COMPANY AND THE EMPLOYEE.

FUTURE GRANTS, IF ANY, AND THEIR TERMS AND CONDITIONS, WILL BE AT THE SOLE DISCRETION OF THE COMPENSATION COMMITTEE. ANY VALUE ASSOCIATED WITH A STOCK OPTION GRANTED UNDER THE PROGRAM IS AN ITEM OF COMPENSATION OUTSIDE THE SCOPE OF THE EMPLOYEE'S EMPLOYMENT CONTRACT, IF ANY.

IN WITNESS WHEREOF, THE COMPANY HAS CAUSED THIS INCENTIVE STOCK OPTION TO BE EXECUTED BY ITS DULY AUTHORIZED OFFICER AS OF THE GRANT DATE ABOVE SET FORTH.

ABBOTT LABORATORIES

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER

## QuickLinks

[Exhibit 10.4](#)

Abbott Laboratories  
Restricted Stock Agreement

This Agreement made «DateAwarded» (the "Grant Date"), between Abbott Laboratories, an Illinois corporation (the "Company"), and «Name» (the "Employee"), for the grant by the Company to the Employee of a Restricted Stock Award under the Company's 1996 Incentive Stock Program.

1. *Grant of Shares.* Pursuant to action of the Compensation Committee of the Board of Directors of the Company, and in consideration of valuable services heretofore rendered and to be rendered by the Employee to the Company and of the agreements hereinafter set forth, the Company has granted to the Employee «NoShares» («NoShares12345») common shares of the Company (the "Shares"). The Shares shall be issued from the Company's available treasury shares. The Employee shall have all the rights of a shareholder with respect to the Shares, including the right to vote and to receive all dividends or other distributions paid or made with respect to the Shares. However, the Shares (and any securities of the Company which may be issued with the respect to the Shares by virtue of any stock split, combination, stock dividend or recapitalization, which securities shall be deemed to be "Shares" hereunder) shall be subject to all the restrictions hereinafter set forth.

2. *Restriction.* Until the restriction imposed by this Section 2 (the "Restriction") has lapsed pursuant to Section 3 or 4 below, the Shares shall not be sold, exchanged, assigned, transferred, pledged or otherwise disposed of, and shall be subject to forfeiture as set forth in Section 5 below.

3. *Lapse of Restriction by Passage of Time.* The restrictions on      will lapse and have no further force on      .

4. *Lapse of Restriction by Death or Disability or Age.* The Restriction shall lapse and have no further force or effect upon the Employee's death, disability, attainment of age 65 or involuntary discharge other than "for cause". For purposes of this Agreement, the term "disability" shall mean the Employee's disability as defined in subsection 4.1(a) of the Abbott Laboratories Extended Disability Plan for twelve consecutive months. Once the Employee has been disabled as defined in this Section for twelve consecutive months, the disability shall be deemed to have occurred on the first day of such twelve month period. The term discharge "for cause" shall have the meaning given that term by Section 9.

5. *Forfeiture of Shares.* In the event of termination of the Employee's employment with the Company due to the Employee's voluntary resignation (including retirement under a Company pension plan) or involuntary discharge for cause, prior to lapse of the Restriction under Section 3 or 4, all of the Shares shall be forfeited, and transferred to the Company by the Employee, without consideration to the Employee or his executor, administrator, personal representative or heirs ("Representative"). In any such event, the Employee or his Representative shall promptly deliver any documents requested by the Company necessary to effectuate such transfer.

6. *Withholding Taxes.* The lapse of the Restriction on the Shares pursuant to Section 3 or 4 above shall be conditioned on the Employee or the Representative having made appropriate arrangements with the Company to provide for the withholding of any taxes required to be withheld by federal, state or local law with respect to such lapse.

7. *Rights Not Enlarged.* Nothing herein confers on the Employee any right to continue in the employ of the Company or of any of its subsidiaries.

8. *Succession.* This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Employee and his Representative.

9. *Discharge for Cause.* The term discharge "for cause" shall mean termination by the Company of the Employee's employment for (A) the Employee's failure to substantially perform the duties of his employment (other than any such failure resulting from the Employee's disability); (B) material breach by the Employee of the terms and conditions of his employment; (C) material breach by the Employee of business ethics; (D) an act of fraud, embezzlement or theft committed by the Employee in connection with his duties or in the course of his employment; or (E) wrongful disclosure by the Employee of secret processes or confidential information of the Company or its subsidiaries.

IN WITNESS WHEREOF, the parties have executed this Agreement, as of the date first above written.

ABBOTT LABORATORIES

By:

QuickLinks

[Exhibit 10.5](#)

**ABBOTT LABORATORIES**  
**RESTRICTED STOCK UNIT AGREEMENT**

This Agreement made «DateAwarded» (the "Grant Date"), between Abbott Laboratories, an Illinois corporation (the "Company"), and «FirstMILast» (the "Employee"), for the grant by the Company to the Employee of a Restricted Stock Unit Award under the Company's 1996 Incentive Stock Program.

1. *Grant of Shares.* Pursuant to action of the Compensation Committee of the Board of Directors of the Company, and in consideration of valuable services heretofore rendered and to be rendered by the Employee to the Company and of the agreements hereinafter set forth, the Company has granted to the Employee the right to receive «NoShares» («NoShares12345») common shares of the Company (the "Restricted Stock Units" used herein "Units") on the Delivery Date. The "Delivery Date" of the shares shall be the date on which the Restriction (as defined in Section 2 below) on such Units lapse. Unless indicated otherwise, the shares of stock shall be delivered in an equal number of shares (subject to rounding) as of each Delivery Date, if there is more than one Delivery Date applicable. The shares shall be issued from the Company's available treasury shares. Prior to the Delivery Date(s), (a) the Employee shall not be treated as a shareholder as to those shares, and shall only have a contractual right to receive them, unsecured by any assets of the Company or the subsidiaries; (b) the Employee shall not be permitted to vote the Restricted Stock Units; and (c) the Employee's right to receive such shares will be subject to the adjustment provisions relating to mergers, reorganizations, and similar events set forth in the Plan. The Restricted Stock Units shall be subject to all of the restrictions hereinafter set forth. The Employee shall be permitted to receive cash payments equal to the dividends and distributions paid on shares of stock (other than dividends or distributions of securities of the Company which may be issued with respect to its shares by virtue of any stock split, combination, stock dividend or recapitalization) to the same extent as if each Unit was a share of stock, and those shares were not subject to the restrictions imposed by this Agreement and the Plan; provided, however, that no dividends or distributions shall be payable to or for the benefit of the Employee with respect to record dates for such dividends or distributions occurring on or after the date, if any, on which the Employee has forfeited the Restricted Stock Units.

2. *Restriction.* Until the restriction imposed by this Section 2 (the "Restriction") has lapsed pursuant to Section 3 or 4 below, the Units shall not be sold, exchanged, assigned, transferred, pledged or otherwise disposed of, and shall be subject to forfeiture as set forth in Section 5 below.

3. *Lapse of Restriction by Passage of Time.* The restrictions on \_\_\_\_\_ shall lapse and have no further force on \_\_\_\_\_.

4. *Lapse of Restriction by Death or Disability or Age.* The Restriction shall lapse and have no further force or effect upon the Employee's death, disability, attainment of age 65 or involuntary discharge other than "for cause". For purposes of this Agreement, the term "disability" shall mean the Employee's disability as defined in subsection 4.1(a) of the Abbott Laboratories Extended Disability Plan for twelve consecutive months. Once the Employee has been disabled as defined in this Section for twelve consecutive months, the disability shall be deemed to have occurred on the first day of such twelve month period. The term discharge "for cause" shall have the meaning given that term by Section 9.

5. *Forfeiture of Units.* In the event of termination of the Employee's employment with the Company due to the Employee's voluntary resignation (including retirement under a Company pension plan) or involuntary discharge for cause, prior to lapse of the Restriction under Section 3 or 4, all of the Units shall be forfeited as of the date of termination, without consideration to the Employee or his executor, administrator, personal representative or heirs ("Representative").

6. *Withholding Taxes.* The lapse of the Restriction on the Units pursuant to Section 3 or 4 above or the delivery of the shares shall be conditioned on the Employee or the Representative having made appropriate arrangements with the Company to provide for the withholding of any taxes as may be required to be withheld by federal, state or local law with respect to such lapse or delivery.

7. *Rights Not Enlarged.* Nothing herein confers on the Employee any right to continue in the employ of the Company or of any of its subsidiaries.

8. *Succession.* This Agreement shall be binding upon and operate for the benefit of the Company and its successors and assigns, and the Employee and his Representative.

9. *Discharge for Cause.* The term discharge "for cause" shall mean termination by the Company of the Employee's employment for (A) the Employee's failure to substantially perform the duties of his employment (other than any such

failure resulting from the Employee's disability); (B) material breach by the Employee of the terms and conditions of his employment; (C) material breach by the Employee of business ethics; (D) an act of fraud, embezzlement or theft committed by the Employee in connection with his duties or in the course of his employment; or (E) wrongful disclosure by the Employee of secret processes or confidential information of the Company or its subsidiaries.

IN WITNESS WHEREOF, the parties have executed this Agreement, as of the date first above written.

ABBOTT LABORATORIES

By:



QuickLinks

[Exhibit 10.6](#)

ABBOTT LABORATORIES  
1996 INCENTIVE STOCK PROGRAM  
NON-EMPLOYEE DIRECTOR NON-QUALIFIED STOCK OPTION

ABBOTT LABORATORIES (THE "COMPANY") HEREBY GRANTS TO \_\_\_\_\_, A NON-EMPLOYEE DIRECTOR OF THE COMPANY (THE "DIRECTOR"), A NON-QUALIFIED STOCK OPTION TO PURCHASE FROM TIME TO TIME ALL OR ANY PART OF A TOTAL \_\_\_\_\_ OF \_\_\_\_\_ COMMON SHARES OF THE COMPANY, AT A PRICE OF \_\_\_\_\_ PER SHARE, UPON THE TERMS AND CONDITIONS SET FORTH BELOW.

THIS OPTION IS GRANTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, UNDER THE COMPANY'S 1996 INCENTIVE STOCK PROGRAM (HEREIN CALLED THE "PROGRAM") FOR THE PURPOSE OF FURNISHING TO THE DIRECTOR AN APPROPRIATE INCENTIVE TO INCREASE PROFITS AND ENCOURAGE THE DIRECTOR TO CONTINUE SERVICE WITH THE COMPANY. TERMS USED HEREIN SHALL HAVE THE SAME MEANING AS IN THE PROGRAM, AND IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE PROVISIONS HEREOF AND THE PROVISIONS OF THE PROGRAM, THE PROGRAM SHALL CONTROL.

THE TERMS AND CONDITIONS OF THE OPTION ARE AS FOLLOWS:

1. THIS OPTION MAY, BUT NEED NOT, BE EXERCISED IN INSTALLMENTS, BUT MAY NOT UNDER ANY CIRCUMSTANCES BE EXERCISED ON OR AFTER THE TENTH (10TH) ANNIVERSARY OF THE GRANT DATE.
2. IN THE EVENT OF DEATH OF THE HOLDER OF THE OPTION, THIS OPTION MAY BE EXERCISED WITHIN THE TERM OF THE OPTION AND ONLY BY THE EXECUTOR OR ADMINISTRATOR OF THE ESTATE OF THE HOLDER OF THE OPTION OR THE PERSON OR PERSONS TO WHOM RIGHTS UNDER THE OPTION HAVE PASSED BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION.
3. THIS OPTION IS NOT TRANSFERABLE OTHERWISE THAN (I) BY WILL OR THE LAWS OF DESCENT AND DISTRIBUTION OR (II) BY THE DIRECTOR AS A GIFT TO THE DIRECTOR'S SPOUSE, CHILD OR GRANDCHILD (THE DIRECTOR'S "IMMEDIATE FAMILY") OR TO A FAMILY TRUST, A FAMILY PARTNERSHIP, A FAMILY LIMITED LIABILITY COMPANY, OR A SIMILAR ARRANGEMENT FOR THE BENEFIT OF MEMBERS OF THE DIRECTOR'S IMMEDIATE FAMILY. IT MAY NOT BE ASSIGNED, TRANSFERRED (EXCEPT AS AFORESAID), PLEDGED OR HYPOTHECATED IN ANY WAY, WHETHER BY OPERATION OF LAW OR OTHERWISE, AND SHALL NOT BE SUBJECT TO EXECUTION, ATTACHMENT OR SIMILAR PROCESS. ANY ATTEMPT AT ASSIGNMENT, TRANSFER, PLEDGE, HYPOTHECATION, OR OTHER DISPOSITION OF THIS OPTION CONTRARY TO THE PROVISIONS HEREOF, AND THE LEVY OF ANY ATTACHMENT OR SIMILAR PROCESS UPON THIS OPTION, SHALL BE NULL AND VOID AND WITHOUT EFFECT.
4. THIS OPTION MAY BE EXERCISED ONLY BY DELIVERING TO THE SECRETARY OR OTHER DESIGNATED EMPLOYEE OF THE COMPANY A WRITTEN NOTICE OF EXERCISE, SPECIFYING THE NUMBER OF COMMON SHARES WITH RESPECT TO WHICH THE OPTION IS THEN BEING EXERCISED, AND ACCOMPANIED BY PAYMENT OF THE FULL PURCHASE PRICE OF THE SHARES BEING PURCHASED IN CASH, OR BY THE SURRENDER OF OTHER COMMON SHARES OF THE COMPANY HAVING A THEN FAIR MARKET VALUE EQUAL TO THE PURCHASE PRICE, OR, BY THE

DELIVERY OF A PROPERLY EXECUTED EXERCISE NOTICE TOGETHER WITH A COPY OF IRREVOCABLE INSTRUCTIONS TO A BROKER TO DELIVER PROMPTLY TO THE COMPANY THE AMOUNT OF SALE OR LOAN PROCEEDS TO PAY THE PURCHASE PRICE, OR A COMBINATION THEREOF, PLUS PAYMENT IN CASH OR, BY WITHHOLDING OR DELIVERY OF COMMON SHARES OF THE COMPANY, OF THE FULL AMOUNT OF ANY TAXES WHICH ARE TO BE WITHHELD AND PAID WITH RESPECT TO SUCH EXERCISE, AND IN THE EVENT THE OPTION IS BEING EXERCISED BY A PERSON OR PERSONS OTHER THAN THE DIRECTOR, SUCH APPROPRIATE TAX CLEARANCES, PROOF OF THE RIGHT OF SUCH PERSON OR PERSONS TO EXERCISE THE OPTION, AND OTHER PERTINENT DATA AS THE COMPANY MAY DEEM NECESSARY.

5. THE COMPANY SHALL NOT BE REQUIRED TO ISSUE OR DELIVER ANY CERTIFICATE FOR SHARES PURCHASED UPON ANY EXERCISE PENDING COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE SECURITIES AND OTHER LAWS (INCLUDING ANY REGISTRATION REQUIREMENTS) AND COMPLIANCE WITH THE RULES AND PRACTICES OF ANY STOCK EXCHANGE UPON WHICH THE COMPANY'S COMMON SHARES ARE LISTED.
6. IN THE EVENT THERE IS A CHANGE IN THE NUMBER OF ISSUED COMMON SHARES OF THE COMPANY WITHOUT NEW CONSIDERATION TO THE COMPANY (SUCH AS BY STOCK DIVIDENDS OR STOCK SPLIT-UPS), THEN (I) THE NUMBER OF SHARES AT THE TIME UNEXERCISED UNDER THIS OPTION SHALL BE CHANGED IN PROPORTION TO SUCH CHANGE IN ISSUED SHARES; AND (II) THE OPTION PRICE FOR THE UNEXERCISED PORTION OF THE OPTION SHALL BE ADJUSTED SO THAT THE AGGREGATE CONSIDERATION PAYABLE TO THE COMPANY UPON THE PURCHASE OF ALL SHARES NOT THERETOFORE PURCHASED SHALL NOT BE CHANGED.

IF THE OUTSTANDING COMMON SHARES OF THE COMPANY SHALL BE COMBINED, OR BE CHANGED INTO ANOTHER KIND OF STOCK OF THE COMPANY OR INTO SECURITIES OF ANOTHER CORPORATION, WHETHER THROUGH RECAPITALIZATION, REORGANIZATION, SALE, MERGER, CONSOLIDATION, ETC., THE COMPANY SHALL CAUSE ADEQUATE PROVISION TO BE MADE WHEREBY THE PERSON OR PERSONS ENTITLED TO EXERCISE THIS OPTION SHALL THEREAFTER BE ENTITLED TO RECEIVE, UPON DUE EXERCISE OF ANY PORTION OF THE OPTION, THE SECURITIES WHICH THAT PERSON WOULD HAVE BEEN ENTITLED TO RECEIVE FOR COMMON SHARES ACQUIRED THROUGH EXERCISE OF THE SAME PORTION OF SUCH OPTION IMMEDIATELY PRIOR TO THE EFFECTIVE DATE OF SUCH RECAPITALIZATION, REORGANIZATION, SALE, MERGER, CONSOLIDATION, SPIN-OFF, ETC. IF APPROPRIATE, DUE ADJUSTMENT SHALL BE MADE IN THE PER SHARE OR PER UNIT PRICE OF THE SECURITIES PURCHASED ON EXERCISE OF THIS OPTION FOLLOWING SAID RECAPITALIZATION, REORGANIZATION, SALE, MERGER, CONSOLIDATION, SPIN-OFF, ETC.

IN WITNESS WHEREOF, THE COMPANY HAS CAUSED THIS OPTION TO BE EXECUTED BY ITS DULY AUTHORIZED OFFICER AS OF THE GRANTING DATE ABOVE SET FORTH.

ABBOTT LABORATORIES

\_\_\_\_\_  
CHAIRMAN OF THE BOARD AND  
CHIEF EXECUTIVE OFFICER

## QuickLinks

[Exhibit 10.7](#)

[ABBOTT LABORATORIES 1996 INCENTIVE STOCK PROGRAM NON-EMPLOYEE DIRECTOR NON-QUALIFIED STOCK OPTION](#)

**ABBOTT LABORATORIES**  
**1996 INCENTIVE STOCK PROGRAM**  
**(as amended and restated through the**  
**4th Amendment February 18, 2005)**

1. **PURPOSE.** The purpose of the Abbott Laboratories 1996 Incentive Stock Program (the "Program") is to attract and retain outstanding directors, officers and other employees of Abbott Laboratories (the "Company") and its subsidiaries, and to furnish incentives to such persons by providing opportunities to acquire common shares of the Company, or monetary payments based on the value of such shares or the financial performance of the Company, or both, on advantageous terms as herein provided and to further align such persons' interests with those of the Company's other shareholders through compensation that is based on the value of the Company's common shares.

2. **ADMINISTRATION.** The Program will be administered by a committee (the "Committee") of at least two persons which shall be either the Compensation Committee of the Board of Directors of the Company (the "Board of Directors") or such other committee comprised entirely of persons who are both: (i) "disinterested persons" as defined in Rule 16b-3 of the Securities and Exchange Commission; and (ii) "outside directors" as defined under Section 162(m) of the Internal Revenue Code of 1986, as amended, or any successor provision; as the Board of Directors may from time to time designate. The Committee shall interpret the Program, prescribe, amend and rescind rules and regulations relating thereto and make all other determinations necessary or advisable for the administration of the Program. A majority of the members of the Committee shall constitute a quorum and all determinations of the Committee shall be made by a majority of its members. Any determination of the Committee under the Program may be made without notice of meeting of the Committee by a writing signed by all of the Committee members. The Committee may, from time to time, delegate any or all of its duties, powers and authority to any officer or officers of the Company, except to the extent such delegation would be inconsistent with Rule 16b-3 of the Securities and Exchange Commission or other applicable law, rule or regulation. The Chief Executive Officer of the Company may, on behalf of the Committee, grant stock options, restricted stock awards, and restricted stock units under the Program, other than to persons subject to Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All such grants by the Chief Executive Officer must be reported to, and ratified by, the Committee within twelve months of the grant date but, if ratified, shall be effective as of the grant date.

3. **PARTICIPANTS.** Participants in the Program will consist of such officers and other employees of the Company and its subsidiaries as the Committee in its sole discretion may designate from time to time to receive Benefits hereunder. The Committee's designation of a participant in any year shall not require the Committee to designate such person to receive a Benefit in any other year. The Committee shall consider such factors as it deems pertinent in selecting participants and in determining the type and amount of their respective Benefits, including without limitation (i) the financial condition of the Company; (ii) anticipated profits for the current or future years; (iii) contributions of participants to the profitability and development of the Company; (iv) prior awards to participants; and (v) other compensation provided to participants. Non-Employee Directors shall also be participants in the Program solely for purposes of receiving Restricted Stock Awards and Restricted Stock Units under paragraph 13 and Non-qualified Stock Options under paragraph 14. The term "Non-Employee Director" shall mean a member of the Board of Directors who is not a full-time employee of the Company or any of its subsidiaries.

4. **TYPES OF BENEFITS.** Benefits under the Program may be granted in any one of a combination of (a) Incentive Stock Options; (b) Non-qualified Stock Options; (c) Stock Appreciation

Rights; (d) Limited Stock Appreciation Rights; (e) Restricted Stock Awards; (f) Restricted Stock Units; (g) Performance Awards; and (h) Foreign Qualified Benefits, all as described below.

5. **SHARES RESERVED UNDER THE PROGRAM.** There is hereby reserved for issuance under the Program: (i) an aggregate of Five Million (5,000,000) common shares; plus (ii) an authorization for each calendar year (the "Annual Authorization") for the years 1996 through 1999, of seven-tenths of one percent (0.7%) of the total common shares of the Company issued and outstanding as of the first day of such calendar year and for the years from and including 2000, one and a half percent (1.5%) of the total common shares of the Company issued and outstanding as of the first day of such calendar year; which may be newly issued or treasury shares. The shares hereby reserved are in addition to the shares previously reserved under the Company's 1981 Incentive Stock Program, 1986 Incentive Stock Program and 1991 Incentive Stock Program (the "Prior Programs"). Any common shares reserved for issuance under the Prior Programs in excess of the number of shares as to which options or other Benefits have been awarded on the date of shareholder approval of this Program, plus any such shares as to which options or other Benefits granted under the Prior Programs may lapse, expire, terminate or be canceled after such date, shall also be reserved and available for issuance in connection with Benefits under this Program. Any common shares reserved under the Program for any calendar year under an Annual Authorization as to which options or other Benefits have not been awarded as of the end of such calendar year shall be available for issuance in connection with Benefits granted in subsequent years.

If there is a lapse, expiration, termination or cancellation of any Benefit granted hereunder without the issuance of shares or payment of cash thereunder, or if shares are issued under any Benefit and thereafter are reacquired by the Company pursuant to rights reserved upon the issuance thereof, or shares are reacquired pursuant to the payment of the purchase price of shares under stock options by delivery of other common shares of the Company, the shares subject to or reserved for such Benefit, or so reacquired, may again be used for new options, rights or awards of any sort authorized under this Program; provided, however, that in no event may the number of common shares issued under this Program, and not reacquired by the Company pursuant to rights reserved upon the issuance thereof or pursuant to the payment of the purchase price of shares under stock options by delivery of other common shares of the Company, exceed the total number of shares reserved for issuance hereunder.

6. **INCENTIVE STOCK OPTIONS.** Incentive Stock Options will consist of options to purchase common shares at purchase prices not less than One Hundred percent (100%) of the Fair Market Value of such common shares on the date of grant. An Incentive Stock Option will not be exercisable after the expiration of ten (10) years from the date such option is granted. In the event of termination of employment for any reason other than retirement, disability or death, the right of the optionee to exercise an Incentive Stock Option shall terminate upon the earlier of the end of the original term of the option or three (3) months after the optionee's last day of work for the Company and its subsidiaries. In the event of termination of employment due to retirement or disability, or if the optionee should die while employed, the right of the optionee or his or her successor in interest to exercise an Incentive Stock Option shall terminate upon the end of the original term of the option. If the optionee should die within three (3) months after termination of employment for any reason other than retirement or disability, the right of his or her successor in interest to exercise an Incentive Stock Option shall terminate upon the earlier of the end of the original term of the option or three (3) months after the date of such death. To the extent the aggregate fair market value (determined as of the time the Option is granted) of the common shares with respect to which any Incentive Stock Option is exercisable for the first time by any individual during any calendar year (under all option plans of the Company and its subsidiary corporations) exceeds \$100,000, the excess shall be treated as a Non-qualified Stock Option. An Incentive Stock Option shall be exercisable as determined by the Committee, but in no event earlier than six (6) months from its grant date.

7. **NON-QUALIFIED STOCK OPTIONS.** Non-qualified Stock Options will consist of options to purchase common shares at purchase prices not less than One Hundred percent (100%) of the Fair Market Value of such common shares on the date of grant. A Non-qualified Stock Option will not be exercisable after the expiration of ten (10) years from the date such option is granted. In the event of termination of employment for any reason other than retirement, disability or death, the right of the optionee to exercise a Non-qualified Stock Option shall terminate upon the earlier of the end of the original term of the option or three (3) months after the optionee's last day of work for the Company and its subsidiaries. In the event of termination of employment due to retirement or disability, or if the optionee should die while employed, the right of the optionee or his or her successor in interest to exercise a Non-qualified Stock Option shall terminate upon the end of the original term of the option. If the optionee should die within three (3) months after termination of employment for any reason other than retirement or disability, the right of his or her successor in interest to exercise a Non-qualified Stock Option shall terminate upon the earlier of the end of the original term of the option or three (3) months after the date of such death. A Non-qualified Stock Option shall be exercisable as determined by the Committee, but in no event earlier than six (6) months from its grant date.

8. **STOCK APPRECIATION RIGHTS.** The Committee may, in its discretion, grant a Stock Appreciation Right to the holder of any stock option granted hereunder or under the Prior Programs. Such Stock Appreciation Rights shall be subject to such terms and conditions consistent with the Program as the Committee shall impose from time to time, including the following:

- (a) A Stock Appreciation Right may be granted with respect to a stock option at the time of its grant or at any time thereafter up to six (6) months prior to its expiration.
- (b) Stock Appreciation Rights will permit the holder to surrender any related stock option or portion thereof which is then exercisable and to elect to receive in exchange therefor cash in an amount equal to:
  - (i) The excess of the Fair Market Value on the date of such election of one common share over the option price multiplied by
  - (ii) The number of shares covered by such option or portion thereof which is so surrendered.
- (c) A Stock Appreciation Right granted to a participant who is subject to Section 16 of the Exchange Act may be exercised only after six (6) months from its grant date (unless such exercise would not affect the exemption under Rule 16b-3 of the Securities and Exchange Commission).
- (d) A Stock Appreciation Right may be granted to a participant regardless of whether such participant has been granted a Limited Stock Appreciation Right with respect to the same stock option. However, a Stock Appreciation Right may not be exercised during any period that a Limited Stock Appreciation Right with respect to the same stock option may be exercised.
- (e) In the event of the exercise of a Stock Appreciation Right, the number of shares reserved for issuance hereunder shall be reduced by the number of shares covered by the stock option or portion thereof surrendered.

9. **LIMITED STOCK APPRECIATION RIGHTS.** The Committee may, in its discretion, grant a Limited Stock Appreciation Right to the holder of any stock option granted hereunder or under the

Prior Programs. Such Limited Stock Appreciation Rights shall be subject to such terms and conditions consistent with the Program as the Committee shall impose from time to time, including the following:

- (a) A Limited Stock Appreciation Right may be granted with respect to a stock option at the time of its grant or at any time thereafter up to six (6) months prior to its expiration.
- (b) A Limited Stock Appreciation Right will permit the holder to surrender any related stock option or portion thereof which is then exercisable and to receive in exchange therefor cash in an amount equal to:
  - (i) The excess of the Fair Market Value on the date of such election of one common share over the option price multiplied by
  - (ii) The number of shares covered by such option or portion thereof which is so surrendered.
- (c) A Limited Stock Appreciation Right granted to a participant who is subject to Section 16 of the Exchange Act may be exercised only after six (6) months from its grant date (unless such exercise would not affect the exemption under Rule 16b-3 of the Securities and Exchange Commission) and only during the sixty (60) day period commencing on the later of:
  - (i) the day following the date of a Change in Control; or (ii) the first date on which such exercise would be exempt under Rule 16b-3 of the Securities and Exchange Commission.
- (d) A Limited Stock Appreciation Right may be granted to a participant regardless of whether such participant has been granted a Stock Appreciation Right with respect to the same stock option.
- (e) In the event of the exercise of a Limited Stock Appreciation Right, the number of shares reserved for issuance hereunder shall be reduced by the number of shares covered by the stock option or portion thereof surrendered.

#### 10. RESTRICTED STOCK AWARDS AND RESTRICTED STOCK UNITS

- (a) **RESTRICTED STOCK AWARDS.** Restricted Stock Awards will consist of common shares transferred to participants without other payment therefor as additional compensation for their services to the Company or any of its subsidiaries. Restricted Stock Awards granted under this paragraph 10 shall be satisfied from the Company's available treasury shares. Restricted Stock Awards shall be subject to such terms and conditions as the Committee determines appropriate, including, without limitation, restrictions on the sale or other disposition of such shares and rights of the Company to reacquire such shares upon termination of the participant's employment within specified periods. Subject to such other restrictions as are imposed by the Committee, the common shares covered by a Restricted Stock Award granted to a participant who is subject to Section 16 of the Exchange Act may be sold or otherwise disposed of only after six (6) months from the grant date of the award (unless such sale would not affect the exemption under Rule 16b-3 of the Securities and Exchange Commission).
- (b) **RESTRICTED STOCK UNITS.** Restricted Stock Units will consist of an unfunded promise to deliver shares of stock at some future date to participants without other payment therefor as additional compensation for their services to the Company or any of its subsidiaries. Stock delivered under this paragraph 10 (b) shall be satisfied from the Company's available treasury shares. Restricted Stock Units granted under this paragraph 10(b) shall be subject to such terms and conditions as the Committee



determines appropriate, including, without limitation, restrictions on the sale or other disposition of such stock units, the rights of the Company to provide for the forfeiture of such stock units upon termination of the participant's employment within specified periods and the right to receive dividend equivalent payments.

- (c) No more than ten percent (10%) of the total number of shares available for grant in any calendar year may be granted as Restricted Stock Units or Restricted Stock Awards (in the aggregate) under paragraphs 10 and 13 in that year.

11. **PERFORMANCE AWARDS.** Performance Awards in the form of Performance Units or Performance Shares may be granted to any participant in the Program. Performance Units shall consist of monetary awards which may be earned in whole or in part if the Company achieves certain goals established by the Committee over a designated period of time. Performance Shares shall consist of common shares or awards denominated in common shares which may be earned in whole or in part if the Company achieves certain goals established by the Committee over a designated period of time. The goals established by the Committee shall be based on any one, or combination of, earnings per share, return on equity, return on assets, total shareholder return, net operating income, cash flow, increase in revenue, economic value added, increase in share price or cash flow return on investment. Partial achievement of the goal(s) may result in a payment or vesting corresponding to the degree of achievement. Payment of an award earned may be in cash or in common shares or in a combination of both, and may be made when earned, or may be vested and deferred, as the Committee in its sole discretion determines. The maximum amount which may be granted under all Performance Awards for any one year for any one participant shall be Five Million Dollars (\$5,000,000). This limit shall be applied to Performance Shares by multiplying the number of Performance Shares granted by the fair market value of one common share on the date of the award. During the term of the Program, no more than 5 million shares of Abbott common stock may be granted in the form of Performance Units and no more than 5 million shares of Abbott common stock may be granted in the form of Performance Shares. This paragraph 11 is intended to comply with the performance-based compensation requirements of Section 162(m) of the Internal Revenue Code of 1986, as amended, and shall be interpreted in accordance with the rules and regulations thereunder.

12. **FOREIGN QUALIFIED BENEFITS.** Benefits under the Program may be granted to such employees of the Company and its subsidiaries who are residing in foreign jurisdictions as the Committee in its sole discretion may determine from time to time. The Committee may adopt such supplements to the Program as may be necessary to comply with the applicable laws of such foreign jurisdictions and to afford participants favorable treatment under such laws; provided, however, that no Benefit shall be granted under any such supplement with terms or conditions which are inconsistent with the provisions as set forth under the Program.

13. **RESTRICTED STOCK UNIT AWARDS FOR NON-EMPLOYEE DIRECTORS.**

- (a) Each year, on the date of the annual shareholders meeting, each person who is elected a Non-Employee Director at the annual shareholders meeting shall be awarded both: (i) Restricted Stock Units covering a number of common shares with a Fair Market Value on the date of the award closest to, but not in excess of, an amount equal to six times the monthly fee in effect under Section 3.1 of the Abbott Laboratories Non-Employee Director's Fee Plan on the date of the award and (ii) Restricted Stock Units covering a number of common shares with a Fair Market Value on the date of the award closest to, but not in excess of, Fifty Thousand Dollars (\$50,000).
- (b) **VESTING AND PAYMENT.** The Restricted Stock Units granted under this paragraph 13 shall be fully vested on the date of the award. The Non-Employee Director receiving the Restricted Stock Units shall be entitled to receive one common share for each common

share subject to the award upon the earliest of the following events (the "Termination Event"):

- (i) The date the director terminates or retires from the Board;
  - (ii) The date the director dies; or
  - (iii) The date of occurrence of a Change in Control (as defined in paragraph 21(c)).
- (c) **DIVIDENDS.** The Non-Employee Director receiving the Restricted Stock Units shall be entitled to receive cash payments equal to the dividends and distributions paid on shares of stock (other than dividends or distributions of securities of the Company which may be issued with respect to its shares by virtue of any stock split, combination, stock dividend or recapitalization) to the same extent as if each Restricted Stock Unit was a share of stock, and those shares were not subject to the restrictions imposed by this Program, provided that the record date with respect to such dividend or distribution occurs within the period commencing with the date of the award and ending upon the date of the Termination Event (the "Restricted Period").
- (d) **RESTRICTIONS.** All Restricted Stock Units granted under this paragraph 13 shall be subject to the following restrictions during the Restricted Period:
- (i) The Restricted Stock Units may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of.
  - (ii) Any additional common shares of the Company or other securities or property issued with respect to shares covered by awards granted under this paragraph 13 as a result of any stock split, combination, stock dividend or recapitalization, shall be subject to the restrictions and other provisions of this paragraph 13.
  - (iii) A director shall not be entitled to receive any shares prior to completion of all actions deemed appropriate by the Company to comply with federal or state securities laws and stock exchange requirements.
- (e) Except in the event of conflict, all provisions of the Program shall apply to this paragraph 13. In the event of any conflict between the provisions of the Program and this paragraph 13, this paragraph 13 shall control. Restricted Stock Units granted under this paragraph 13 shall be satisfied from the Company's available treasury shares.

#### 14. NON-QUALIFIED STOCK OPTIONS FOR NON-EMPLOYEE DIRECTORS.

- (a) Each Non-Employee Director may elect to receive any or all of his or her fees earned during the second half of 1996 and each subsequent calendar year under Section 3 of the Abbott Laboratories Non-Employee Directors' Fee Plan (the "Directors' Fee Plan") in the form of Non-qualified Stock Options under this Section 14. Each such election shall be irrevocable, and must be made in writing and filed with the Secretary of the Company by December 31, 1995 (for fees earned in the second half of 1996) and (for fees earned in subsequent calendar years) by June 30 of the calendar year preceding the calendar year in which such fees are earned (or such later date as may be permissible under Rule 16b-3 of the Securities and Exchange Commission, but in no event later than December 31 of such preceding calendar year).
- (b) A Non-Employee Director may file a new election each calendar year applicable to fees earned in the immediately succeeding calendar year. If no new election or revocation of a prior election is received by June 30 of any calendar year (or such later date as may be permissible under paragraph (a)), the election, if any, in effect for such calendar year shall continue in effect for the immediately succeeding calendar year. Any election made

under this Section 14 shall take precedence over any election made by the director for the same period, under the Directors' Fee Plan, to the extent necessary to resolve any conflict between such elections. If a director does not elect to receive his or her fees in the form of Non-qualified Stock Options, the fees due such director shall be paid or deferred as provided in the Directors' Fee Plan and any applicable election thereunder by the director.

- (c) The number of common shares covered by each Non-qualified Stock Option granted in any year under this Section 14 shall be determined based on an independent appraisal for such year of the intrinsic value of options granted hereunder and the amount of fees covered by the director's election for such year. The number of common shares covered by options granted in 1996 (as determined under this procedure) shall be the number of whole shares equal to (i) the product of three (3) times the amount of fees which the director has elected under paragraph (a) to receive in the form of Non-qualified Stock Options, divided by (ii) One Hundred percent (100%) of the Fair Market Value of one common share on the grant date. Any fraction of a share shall be disregarded, and the remaining amount of the fees corresponding to such option shall be paid as provided in the Directors' Fee Plan and any applicable election thereunder by the director.
- (d) Effective on October 10, 1997, each Non-qualified Stock Option due a director under this Section 14 prior to the 1998 annual shareholders meeting shall be granted on October 10, 1997 at a purchase price equal to One Hundred percent (100%) of the Fair Market Value of the common shares covered by such option on the grant date. Effective with the 1998 Annual Shareholders Meeting, each Non-qualified Stock Option due a director under this Section 14 shall be granted annually, on the date of the annual shareholders meeting, at a purchase price equal to One Hundred percent (100%) of the Fair Market Value of the common shares covered by such option on the grant date. Each such option shall be immediately exercisable and nonforfeitable, and shall not be exercisable after the expiration of ten (10) years from the date it is granted. Each such option shall contain provisions allowing payment of the purchase price and, to the extent permitted, any taxes due on exercise, by delivery of other common shares of the Company (or, in the case of the payment of taxes, by withholding of shares).
- (e) All Non-qualified Stock Options granted under this Section 14 prior to October 10, 1997, shall be immediately exercisable and nonforfeitable, and shall not be exercisable after the expiration of ten (10) years from the date granted.

15. **NONTRANSFERABILITY.** Except as provided by the Committee, each stock option and stock appreciation right granted under this Program shall not be transferable other than by will or the laws of descent and distribution, and shall be exercisable, during the participant's lifetime, only by the participant or the participant's guardian or legal representative.

16. **OTHER PROVISIONS.** The award of any Benefit under the Program may also be subject to other provisions (whether or not applicable to the Benefit awarded to any other participant) as the Committee determines appropriate, including, without limitation, provisions for the purchase of common shares under stock options in installments, provisions for the payment of the purchase price of shares under stock options by delivery of other common shares of the Company having a then market value equal to the purchase price of such shares, restrictions on resale or other disposition, such provisions as may be appropriate to comply with federal or state securities laws and stock exchange requirements and understandings or conditions as to the participant's employment in addition to those specifically provided for under the Program.

In the case of a participant who is subject to Section 16(a) and 16(b) of the Exchange Act, the Committee may, at any time, add such conditions and limitations to any Benefit granted to such

participant, or any feature of any such Benefit, as the Committee, in its sole discretion, deems necessary or desirable to comply with Section 16(a) or 16(b) and the rules and regulations thereunder or to obtain any exemption therefrom. A participant may pay the purchase price of shares under stock options by delivery of a properly executed exercise notice together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds to pay the purchase price. To facilitate the foregoing, the Company may enter into agreements for coordinated procedures with one or more brokerage firms.

The Committee may, in its discretion and subject to such rules as it may adopt, permit or require a participant to pay all or a portion of the federal, state and local taxes, including FICA and medicare withholding tax, arising in connection with the following transactions: (a) the exercise of a Non-qualified Stock Option; (b) the lapse of restrictions on common shares received as a Restricted Stock Award; or (c) the receipt or exercise of any other Benefit; by (i) having the Company withhold common shares, (ii) tendering back common shares received in connection with such Benefit or (iii) delivering other previously acquired common shares of the Company having a fair market value approximately equal to the amount to be withheld.

The Committee may grant stock options under the Program (and, for stock options granted prior to shareholder approval of this Program, under the Company's 1991 Incentive Stock Program) that provide for the grant of replacement stock options if all or any portion of the purchase price or taxes incurred in connection with the exercise, are paid by delivery (or, in the case of payment of taxes, by withholding of shares) of other common shares of the Company. The replacement stock option shall cover the number of common shares surrendered to pay the purchase price, plus the number of shares surrendered or withheld to satisfy the participant's tax liability, shall have an exercise price equal to One Hundred percent (100%) of the Fair Market Value of such common shares on the date such replacement stock option is granted, shall first be exercisable six months from the date of grant of the replacement stock option and shall have an expiration date equal to the expiration date of the original stock option.

17. TERM OF PROGRAM AND AMENDMENT, MODIFICATION, CANCELLATION OR ACCELERATION OF BENEFITS. The Program shall continue in effect until terminated by the Board of Directors, except that no Incentive Stock Option shall be granted after October 13, 2005 and that no other Benefits shall be granted after April 27, 2010. The terms and conditions applicable to any Benefits may at any time be amended, modified or canceled by mutual agreement between the Committee and the participant or such other persons as may then have an interest therein, so long as any amendment or modification does not increase the number of common shares issuable under this Program; and provided further, that the Committee may, at any time and in its sole discretion, declare any or all stock options and stock appreciation rights then outstanding under the Program or the Prior Programs to be exercisable and any or all the then outstanding Restricted Stock Awards or Restricted Stock Units to be vested, whether or not such options, rights or awards are then otherwise exercisable or vested. Notwithstanding the foregoing, except as provided in paragraph 22, the Committee shall neither lower the purchase price of any option granted under the Program nor grant any option under the Program in replacement of a cancelled option which had previously been granted at a higher purchase price, without shareholder approval.

18. AMENDMENT TO PRIOR PROGRAMS. No options or other Benefits shall be granted under the Prior Programs on or after the date of shareholder approval of this Program.

19. INDIVIDUAL LIMIT ON OPTIONS AND STOCK APPRECIATION RIGHTS; AGGREGATE LIMIT ON INCENTIVE STOCK OPTIONS. The maximum number of shares with respect to which Incentive Stock Options, Non-qualified Stock Options, Stock Appreciation Rights and Limited Stock Appreciation Rights may be granted to any one participant, in aggregate in any one calendar year, shall be Two Million (2,000,000) shares. Incentive Stock Options with respect to no more

than the lesser of (i) One Hundred and Fifty Million (150,000,000) shares (plus any shares acquired by the Company pursuant to payment of the purchase price of shares under incentive stock options by delivery of other common shares of the Company), or (ii) the total number of shares reserved under paragraph 5 may be issued under the Plan.

20. TAXES. The Company shall be entitled to withhold the amount of any tax attributable to any amount payable or shares deliverable under the Program after giving the person entitled to receive such amount or shares notice as far in advance as practicable, and the Company may defer making payment or delivery if any such tax may be pending unless and until indemnified to its satisfaction.

## 21. DEFINITIONS.

- (a) FAIR MARKET VALUE. Except as provided below, the Fair Market Value of the Company's common shares shall be determined by such methods or procedures as shall be established by the Committee; provided that, in the case of any Limited Stock Appreciation Right (other than a right related to an Incentive Stock Option), the Fair Market Value shall be the higher of:
  - (i) The highest daily closing price of the Company's common shares during the sixty (60) day period following the Change in Control; or
  - (ii) The highest gross price paid or to be paid for the Company's common shares in any of the transactions described in paragraphs 21(c)(i) and 21(c)(ii).
- (b) SUBSIDIARY. The term "subsidiary" for all purposes other than the Incentive Stock Option provisions in paragraph 6, shall mean any corporation, partnership, joint venture or business trust, fifty percent (50%) or more of the control of which is owned, directly or indirectly, by the Company. For Incentive Stock Option purposes the term "subsidiary" shall be defined as provided in Internal Revenue Code Section 424(f).
- (c) CHANGE IN CONTROL. A "Change in Control" shall be deemed to have occurred on the earliest of the following dates:
  - (i) the date any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its Affiliates) representing 20% or more of the combined voting power of the Company's then outstanding securities, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (a) of paragraph (iii) below; or
  - (ii) the date the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board of Directors and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board of Directors or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds ( $\frac{2}{3}$ ) of the directors then still in office who either were directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or
  - (iii) the date on which there is consummated a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation or other entity, other than (a) a merger or consolidation (I) immediately following which the individuals who comprise the Board of Directors immediately prior thereto constitute at least a majority of the Board of Directors of the Company, the entity

surviving such merger or consolidation or, if the Company or the entity surviving such merger or consolidation is then a subsidiary, the ultimate parent thereof and (II) which results in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (b) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or its Affiliates) representing 20% or more of the combined voting power of the Company's then outstanding securities; or

- (iv) the date the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by shareholders of the Company, in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the common stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

For purposes of this Program: "Affiliate" shall have the meaning set forth in Rule 12b-2 promulgated under Section 12 of the Exchange Act; "Beneficial Owner" shall have the meaning set forth in Rule 13d-3 under the Exchange Act; and "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its Affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company.

- (d) **DISABILITY.** The term "disability" for all purposes of the Program shall mean the participant's disability as defined in subsection 4.1(a) of the Abbott Laboratories Extended Disability Plan for twelve (12) consecutive months.

## 22. ADJUSTMENT PROVISIONS.

- (a) If the Company shall at any time change the number of issued common shares without new consideration to the Company (such as by stock dividends or stock splits), the total

number of shares reserved for issuance under this Program, the individual and aggregate limits described in paragraphs 11 and 19 on the number of shares that may be granted or issued (as the case may be), the number of shares covered by each outstanding Benefit and the purchase price of such shares shall be adjusted so that the aggregate consideration payable to the Company and the value of each such Benefit shall not be changed. Subject to paragraph 22(c), the Committee shall also have the right to provide for the continuation of Benefits or for other equitable adjustments after changes in the Company or in the common shares resulting from reorganization, sale, merger, consolidation, spin-off or similar occurrence.

- (b) Subject to paragraph 22(c), without affecting the number of shares otherwise reserved or available hereunder, the Committee may authorize the issuance or assumption of Benefits in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate.
- (c) Notwithstanding any other provision of this Program or the Prior Programs including the terms of any Benefit granted hereunder, if the outstanding common shares of the Company shall be combined, or be changed into, or exchanged for, another kind of stock of the Company, into securities of another corporation, or into property (including cash) whether through recapitalization, reorganization, sale, merger, consolidation, spin-off, business combination or a similar transaction (a "Transaction"), the Company shall cause its successor, acquiror (or ultimate parent of any successor or acquiror), as applicable, to assume each stock option, Stock Appreciation Right and Limited Stock Appreciation Right outstanding immediately prior to the Transaction (or to cause new options or rights to be substituted therefor). Pursuant to such assumed or substituted option or rights, participants shall thereafter be entitled to receive, upon due exercise of any portion of the option or right, (a) in the event of a Transaction in which the outstanding common shares of the Company are combined, or changed into, or exchanged for, solely another kind of stock of the Company or securities of another corporation (disregarding, for this purpose, cash paid in lieu of fractional shares), the securities which that person would have been entitled to receive for common shares acquired through exercise of the same portion of such option or right immediately prior to the effective date of such Transaction, and (b) in the event of a Transaction in which the outstanding common shares of the Company are changed into, or exchanged for, property (including cash) other than solely stock of the Company or securities of another corporation (disregarding, for this purpose, cash paid in lieu of fractional shares), securities the fair market value of which immediately following the effective date of such Transaction (as determined by the Committee) equals the fair market value (as determined by the Committee) of the property which that person would have been entitled to receive for common shares acquired through exercise of the same portion of such option or right immediately prior to the effective date of such Transaction. In each case such assumed or substituted option or right shall continue to be subject to the same terms and conditions (including, without limitation, with respect to any right to receive "replacement options" upon option exercise) to which it was subject immediately prior to the Transaction.

Notwithstanding the immediately preceding paragraph, upon a Transaction in which the outstanding common shares of the Company are changed into, or exchanged for, property (including cash) other than solely stock of the Company or securities of another corporation (disregarding, for this purpose, cash paid in lieu of fractional shares) and which constitutes a Change in Control, each participant may elect to receive, immediately following such Transaction in exchange for cancellation of any stock option (other than an Incentive Stock Option granted prior to June 20, 2003), Stock Appreciation Right or

Limited Appreciation Right held by such participant immediately prior to the Transaction, a cash payment, with respect to each common share subject to such option or right, equal to the difference between the value of consideration (as determined by the Committee) received by the shareholders for a common share of the Company in the Transaction, less any applicable purchase price.

- (d) Notwithstanding any other provision of this Program or the Prior Programs including the terms of any Benefit granted hereunder, upon the occurrence of a Change in Control:
- (i) All stock options then outstanding under this Program or the Prior Programs shall become fully exercisable as of the date of the Change in Control, whether or not then otherwise exercisable;
  - (ii) All Stock Appreciation Rights and Limited Stock Appreciation Rights then outstanding shall become fully exercisable as of the date of the Change in Control, whether or not then otherwise exercisable;
  - (iii) All terms and conditions of all Restricted Stock Awards then outstanding shall be deemed satisfied as of the date of the Change in Control;
  - (iv) All terms and conditions of all Restricted Stock Units then outstanding shall be deemed satisfied and all restrictions on those Restricted Stock Units will lapse as of the date of the Change in Control; and
  - (v) All Performance Awards then outstanding shall be deemed to have been fully earned and to be immediately payable, in cash, as of the date of the Change in Control.

23. AMENDMENT AND TERMINATION OF PROGRAM. The Board of Directors may amend the Program from time to time or terminate the Program at any time, but no such action shall reduce the then existing amount of any participant's Benefit or adversely change the terms and conditions thereof without the participant's consent. Notwithstanding the foregoing, except as provided in paragraph 22, the Company shall neither lower the purchase price of any option granted under the Program nor grant any option under the Program in replacement of a cancelled option which had previously been granted at a higher purchase price, without shareholder approval. To the extent required for compliance with Rule 16b-3 of the Securities and Exchange Commission, paragraph 13 of the Program may not be amended more frequently than once every six months other than to comport with changes in the Internal Revenue Code of 1986, as amended, or the rules thereunder, and no amendment of the Program shall result in any Committee member losing his or her status as a "disinterested person" as defined in Rule 16b-3 of the Securities and Exchange Commission with respect to any employee benefit plan of the Company or result in the Program or awards thereunder losing their exempt status under said Rule 16b-3.

24. EFFECTIVE DATE. The Program was originally adopted by the Board of Directors on October 13, 1995.



QuickLinks

[Exhibit 10.8](#)