
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

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

August 20, 2004

Date of Report (Date of earliest event reported)

ABBOTT LABORATORIES

(Exact name of registrant as specified in its charter)

Illinois
(State or other Jurisdiction
of Incorporation)

1-2189
(Commission File Number)

36-0698440
(I.R.S. 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**

Item 7. Financial Statements and Exhibits.

(c) Exhibits

| Exhibit No. | Exhibit |
|-------------|--|
| 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 |
| 10.2 | Form of Employee Stock Option Agreement for a Non-Qualified Stock Option under the Abbott Laboratories 1996 Incentive Stock Program |
| 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 |
| 10.4 | Form of Employee Stock Option Agreement for an Incentive Stock Option under the Abbott Laboratories 1996 Incentive Stock Program |
| 10.5 | Form of Employee Stock Option Agreement for a Replacement Stock Option under the Abbott Laboratories 1996 Incentive Stock Program |
| 10.6 | Form of Employee Restricted Stock Agreement under the Abbott Laboratories 1996 Incentive Stock Program |
| 10.7 | Form of Employee Restricted Stock Unit Agreement under the Abbott Laboratories 1996 Incentive Stock Program |
| 10.8 | Form of Non-Employee Director Stock Option Agreement under the Abbott Laboratories 1996 Incentive Stock Program |
| 10.9 | 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

By: /s/ Thomas C. Freyman
Thomas C. Freyman
Executive Vice President, Finance and Chief Financial Officer

Date: August 20, 2004

Exhibit Index

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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.
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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. IN THE EVENT THE PURCHASE PRICE OF THE SHARES COVERED BY THIS OPTION OR ANY TAXES DUE ON ITS EXERCISE ARE PAID BY THE SURRENDER OF OTHER COMMON SHARES OF THE COMPANY OR, FOR PAYMENT OF WITHHOLDING TAXES, BY WITHHOLDING OF SHARES, THE EMPLOYEE WILL BE GRANTED AN OPTION (THE "REPLACEMENT OPTION") TO PURCHASE A NUMBER OF COMMON SHARES EQUAL TO THE NUMBER OF SHARES USED AS PAYMENT AND/OR WITHHELD, PROVIDED THE THEN FAIR MARKET VALUE OF THE SHARES COVERED BY THIS OPTION IS AT LEAST TWENTY-FIVE PERCENT (25%) HIGHER THAN SUCH PURCHASE PRICE. THE PURCHASE PRICE UNDER THE REPLACEMENT OPTION WILL BE THE FAIR MARKET VALUE OF THE SHARES COVERED BY THE REPLACEMENT OPTION AS OF THE GRANT DATE OF THE REPLACEMENT OPTION. THE REPLACEMENT OPTION WILL BE A NON-QUALIFIED STOCK OPTION, FIRST EXERCISABLE SIX (6) MONTHS
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FROM THE REPLACEMENT OPTION GRANT DATE, WITH A TERM EQUAL TO THE REMAINDER OF THE TERM OF THE ORIGINAL OPTION.

18. THE EMPLOYEE MAY SATISFY ANY FEDERAL, STATE AND LOCAL TAXES ARISING FROM ANY TRANSACATION 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.
19. 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.
20. EXCEPT AS PROVIDED UNDER PARAGRAPH 17, 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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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.
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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.
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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. IN THE EVENT THE PURCHASE PRICE OF THE SHARES COVERED BY THIS OPTION OR ANY TAXES DUE ON ITS EXERCISE ARE PAID BY THE SURRENDER OF OTHER COMMON SHARES OF THE COMPANY OR, FOR PAYMENT OF WITHHOLDING TAXES, BY WITHHOLDING OF SHARES, THE EMPLOYEE WILL BE GRANTED AN OPTION (THE "REPLACEMENT OPTION") TO PURCHASE A NUMBER OF COMMON SHARES EQUAL TO THE NUMBER OF SHARES USED AS PAYMENT AND/OR WITHHELD, PROVIDED THE THEN FAIR MARKET VALUE OF THE SHARES COVERED BY THIS OPTION IS AT LEAST TWENTY-FIVE PERCENT (25%) HIGHER THAN SUCH PURCHASE PRICE. THE PURCHASE PRICE UNDER THE REPLACEMENT OPTION WILL BE THE FAIR MARKET VALUE OF THE SHARES COVERED BY THE REPLACEMENT OPTION AS OF THE GRANT DATE OF THE REPLACEMENT OPTION. THE REPLACEMENT OPTION WILL BE A NON-QUALIFIED STOCK OPTION, FIRST EXERCISABLE SIX (6) MONTHS FROM THE REPLACEMENT OPTION GRANT DATE, WITH A TERM EQUAL TO THE REMAINDER OF THE TERM OF THE ORIGINAL OPTION.
 18. 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.

19. 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.
20. EXCEPT AS PROVIDED UNDER PARAGRAPH 17, 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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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.
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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. IN THE EVENT THE PURCHASE PRICE OF THE SHARES COVERED BY THIS OPTION OR ANY TAXES DUE ON ITS EXERCISE ARE PAID BY THE SURRENDER OF OTHER COMMON SHARES OF THE COMPANY OR, FOR PAYMENT OF WITHHOLDING TAXES, BY WITHHOLDING OF SHARES, THE EMPLOYEE WILL BE GRANTED AN OPTION (THE "REPLACEMENT OPTION") TO PURCHASE A NUMBER OF COMMON SHARES EQUAL TO THE NUMBER OF SHARES USED AS PAYMENT AND/OR WITHHELD, PROVIDED THE THEN FAIR MARKET VALUE OF THE SHARES COVERED BY THIS OPTION IS AT LEAST TWENTY-FIVE PERCENT (25%) HIGHER THAN SUCH PURCHASE PRICE. THE PURCHASE PRICE UNDER THE REPLACEMENT OPTION WILL BE THE FAIR MARKET VALUE OF THE SHARES COVERED BY THE REPLACEMENT OPTION AS OF THE GRANT DATE OF THE REPLACEMENT OPTION. THE REPLACEMENT OPTION WILL BE A NON-QUALIFIED STOCK OPTION, FIRST EXERCISABLE SIX (6) MONTHS FROM THE
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REPLACEMENT OPTION GRANT DATE, WITH A TERM EQUAL TO THE REMAINDER OF THE TERM OF THE ORIGINAL OPTION.

18. THE EMPLOYEE MAY SATISFY ANY FEDERAL, STATE AND LOCAL TAXES ARISING FROM ANY TRANSACATION 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.
19. 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.
20. EXCEPT AS PROVIDED UNDER PARAGRAPH 17, 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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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.
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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. IN THE EVENT THE PURCHASE PRICE OF THE SHARES COVERED BY THIS OPTION OR ANY TAXES DUE ON ITS EXERCISE ARE PAID BY THE SURRENDER OF OTHER COMMON SHARES OF THE COMPANY OR, FOR PAYMENT OF WITHHOLDING TAXES, BY WITHHOLDING OF SHARES, THE EMPLOYEE WILL BE GRANTED AN OPTION (THE "REPLACEMENT OPTION") TO PURCHASE A NUMBER OF COMMON SHARES EQUAL TO THE NUMBER OF SHARES USED AS PAYMENT AND/OR WITHHELD, PROVIDED THE THEN FAIR MARKET VALUE OF THE SHARES COVERED BY THIS OPTION IS AT LEAST TWENTY-FIVE PERCENT (25%) HIGHER THAN SUCH PURCHASE PRICE. THE PURCHASE PRICE UNDER THE REPLACEMENT OPTION WILL BE THE FAIR MARKET VALUE OF THE SHARES COVERED BY THE REPLACEMENT OPTION AS OF THE GRANT DATE OF THE REPLACEMENT OPTION. THE REPLACEMENT OPTION WILL BE A NON-QUALIFIED STOCK OPTION, FIRST EXERCISABLE SIX (6) MONTHS FROM THE REPLACEMENT OPTION GRANT DATE, WITH A TERM EQUAL TO THE REMAINDER OF THE TERM OF THE ORIGINAL OPTION.
 18. THE EMPLOYEE MAY SATISFY ANY FEDERAL, STATE AND LOCAL TAXES ARISING FROM ANY TRANSACATION 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.
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19. 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.
 20. EXCEPT AS PROVIDED UNDER PARAGRAPH 17, 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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

ABBOTT LABORATORIES
1996 INCENTIVE STOCK PROGRAM
NON-QUALIFIED REPLACEMENT STOCK OPTION

ABBOTT LABORATORIES (THE "COMPANY") HEREBY GRANTS TO
«First_Name» «MI» «Last_Name» (THE "EMPLOYEE").
«SSN»

A NON-QUALIFIED REPLACEMENT STOCK OPTION TO PURCHASE FROM TIME TO TIME ALL OR ANY PART OF A TOTAL OF «NQSOs» COMMON SHARES OF THE COMPANY, AT A PRICE OF \$«Option_Price» PER SHARE. THIS OPTION IS GRANTED UPON THE TERMS AND CONDITIONS SET FORTH BELOW AND HAS BEEN GRANTED WITH RESPECT TO AN OPTION (THE "ORIGINAL OPTION"), THE ORIGINAL TERM OF WHICH WAS SET TO EXPIRE ON «Expiration_Date» (THE "EXPIRATION DATE").

THIS OPTION IS GRANTED THIS «Grant_Day» DAY OF «Grant_Month», «YEAR», UNDER THE ABBOTT LABORATORIES 1996 INCENTIVE STOCK PROGRAM (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. 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 THIS OPTION ARE AS FOLLOWS:

1. THIS OPTION MAY, BUT NEED NOT, BE EXERCISED IN INSTALLMENTS, BUT ONLY WITHIN THE TIME PERIODS AND SUBJECT TO THE CONDITIONS DESCRIBED BELOW. THIS OPTION MAY BE EXERCISED ONLY AFTER SIX MONTHS HAVE ELAPSED FROM THE DATE OF ITS GRANT. IN NO EVENT SHALL THIS OPTION BE EXERCISABLE ON OR AFTER THE DATE ON WHICH THE ORIGINAL OPTION WOULD HAVE TERMINATED OR AT ANY OTHER TIME WHEN THE ORIGINAL OPTION WOULD NOT HAVE BEEN EXERCISABLE.
2. SUBJECT TO PARAGRAPHS 4 AND 5, IF THE EMPLOYEE'S EMPLOYMENT WITH THE COMPANY OR ITS SUBSIDIARIES TERMINATES BEFORE SIX MONTHS HAVE ELAPSED FROM THE DATE OF THIS OPTION'S GRANT, THEN THE DETERMINATION OF WHETHER AND UPON WHAT CONDITIONS THIS OPTION MAY BE EXERCISED SHALL BE MADE PURSUANT TO THE PROVISIONS THAT WOULD HAVE GOVERNED THE EXERCISE OF THE ORIGINAL OPTION IN THE EVENT THE EMPLOYEE'S EMPLOYMENT HAD TERMINATED BEFORE THE ORIGINAL OPTION BECAME EXERCISABLE.
3. SUBJECT TO PARAGRAPHS 4 AND 5, IF THE EMPLOYEE'S EMPLOYMENT WITH THE COMPANY OR ITS SUBSIDIARIES TERMINATES AFTER SIX MONTHS HAVE ELAPSED FROM THE DATE OF THIS OPTION'S GRANT, THEN THE DETERMINATION OF WHETHER AND UPON WHAT CONDITIONS THIS OPTION MAY BE EXERCISED SHALL BE MADE PURSUANT TO THE PROVISIONS THAT WOULD HAVE GOVERNED THE EXERCISE OF THE ORIGINAL OPTION IN THE EVENT THE EMPLOYEE'S EMPLOYMENT HAD TERMINATED AFTER THE ORIGINAL OPTION BECAME EXERCISABLE.
4. NOTWITHSTANDING PARAGRAPHS 2 AND 3, 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.

5. NOTWITHSTANDING PARAGRAPHS 2 AND 3, 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.
6. NOTHING HEREIN CONFERS UPON THE EMPLOYEE ANY RIGHT TO CONTINUE IN THE EMPLOY OF THE COMPANY OR OF ANY SUBSIDIARY.
7. 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.
8. 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 BY THE SURRENDER OF 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 OR DELIVERY 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.

9. 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.
10. IN THE EVENT THE PURCHASE PRICE OF THE SHARES COVERED BY THIS OPTION OR ANY TAXES DUE ON ITS EXERCISE ARE PAID BY THE SURRENDER OF OTHER COMMON SHARES OF THE COMPANY OR, FOR PAYMENT OF WITHHOLDING TAXES, BY WITHHOLDING OF SHARES, THE EMPLOYEE WILL BE GRANTED AN OPTION (THE "REPLACEMENT OPTION") TO PURCHASE A NUMBER OF COMMON SHARES EQUAL TO THE NUMBER OF SHARES SURRENDERED AND/OR WITHHELD, PROVIDED THE THEN FAIR MARKET VALUE OF THE SHARES COVERED BY THIS OPTION IS A LEAST TWENTY-FIVE PERCENT (25%) HIGHER THAN SUCH PURCHASE PRICE. THE PURCHASE PRICE UNDER THE REPLACEMENT

OPTION WILL BE THE FAIR MARKET VALUE OF THE SHARES COVERED BY THE REPLACEMENT OPTION AS OF THE GRANT DATE OF THE REPLACEMENT OPTION. THE REPLACEMENT OPTION WILL BE A NON-QUALIFIED STOCK OPTION, FIRST EXERCISABLE SIX (6) MONTHS FROM THE REPLACEMENT OPTION GRANT DATE, WITH A TERM EQUAL TO THE REMAINDER OF THE TERM OF THE ORIGINAL OPTION. AN ADDITIONAL REPLACEMENT OPTION WILL NOT BE GRANTED UPON THE EXERCISE OF A PREVIOUSLY ISSUED REPLACEMENT OPTION IF THAT PREVIOUSLY GRANTED REPLACEMENT OPTION IS EXERCISED IN THE SAME CALENDAR YEAR THAT IT WAS GRANTED.

11. 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 SPLITS), 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, SALE, MERGER, CONSOLIDATION, SPIN-OFF, 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.

12. NEITHER THIS OPTION, SHARES ISSUED UPON ITS EXERCISE, ANY EXCESS OF MARKET VALUE OVER OPTION PRICE, NOR ANY 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.

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

ABBOTT LABORATORIES

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Abbott Laboratories
Restricted Stock Agreement

This Agreement made «DateAwded» (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 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”). As soon as practicable following the Employee’s execution of this Agreement, a certificate or certificates representing the Shares and bearing the legend described in Section 6 shall be delivered to the Employee. The Shares shall be issued from the Company’s available treasury shares. Upon issuance of the certificates representing the Shares, the Employee shall have all the rights of a stockholder 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 Restriction shall lapse and have no further force or effect upon the earlier of: (a) three (3) years after the date of this Agreement; or (b) employee’s attainment of age 65.

4. Lapse of Restriction by Death or Disability. The Restriction shall lapse and have no further force or effect upon the Employee’s death, disability 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 10.

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 the certificates representing the Shares to the Company together with any documents requested by the Company necessary to effectuate such transfer. In the event the Employee’s employment is terminated due to retirement under a Company Pension Plan, the Compensation Committee of the Board of Directors of the Company may, in its sole discretion, waive forfeiture as to any or all of the Shares.

6. Endorsement on Certificates. All certificates representing the Shares shall be endorsed on the face thereof with the following legend:

“The shares of stock represented by this certificate and the transferability thereof are restricted by and subject to a ‘Restricted Stock Agreement’ dated «DateAwded», a copy of which is on file with the Secretary of the Company.”

Upon lapse of the Restriction the Employee or his Representative shall be entitled to have the legend removed from certificates representing the Shares.

7. 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.

8. 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.

9. 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.

10. 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, on the date first above written.

ABBOTT LABORATORIES

By

Miles D. White
Chairman and Chief Executive Officer

«Name»

**ABBOTT LABORATORIES
RESTRICTED STOCK UNIT AGREEMENT**

This Agreement made «DateAwded» (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 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 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 event 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 Restriction shall lapse and have no further force or effect upon the earlier of: (a) three (3) years after the date of this Agreement; or (b) employee’s attainment of age 65.

4. *Lapse of Restriction by Death or Disability.* The Restriction shall lapse and have no further force or effect upon the Employee’s death, disability 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”). In the event the Employee’s employment is terminated due to retirement under a Company Pension Plan, the Compensation Committee of the Board of Directors of the Company may, in its sole discretion, waive forfeiture as to any or all of the Units.

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, on the date first above written.

ABBOTT LABORATORIES

By Miles D. White
Chairman and Chief Executive Officer

«FirstMILast»

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

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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 THE PURCHASE PRICE OF THE SHARES COVERED BY THIS OPTION OR ANY TAXES DUE ON ITS EXERCISE ARE PAID BY THE SURRENDER OF OTHER COMMON SHARES OF THE COMPANY OR, FOR PAYMENT OF WITHHOLDING TAXES, BY WITHHOLDING OF SHARES, THE HOLDER OF THE OPTION WILL BE GRANTED AN OPTION (A "REPLACEMENT OPTION") TO PURCHASE A NUMBER OF COMMON SHARES EQUAL TO THE NUMBER OF SHARES SURRENDERED AND/OR WITHHELD, PROVIDED THE THEN FAIR MARKET VALUE OF THE SHARES COVERED BY THIS OPTION IS AT LEAST TWENTY-FIVE PERCENT (25%) HIGHER THAN SUCH PURCHASE PRICE. THE PURCHASE PRICE UNDER THE REPLACEMENT OPTION WILL BE THE FAIR MARKET VALUE OF THE SHARES COVERED BY THE REPLACEMENT OPTION AS OF THE GRANT DATE OF THE REPLACEMENT OPTION. THE REPLACEMENT OPTION WILL BE A NON-QUALIFIED STOCK OPTION, FIRST EXERCISABLE SIX (6) MONTHS FROM THE REPLACEMENT OPTION GRANT DATE, WITH A TERM EQUAL TO THE REMAINDER OF THE TERM OF THE ORIGINAL OPTION.
7. AN ADDITIONAL REPLACEMENT OPTION WILL NOT BE GRANTED UPON THE EXERCISE OF A PREVIOUSLY ISSUED REPLACEMENT OPTION IF THAT PREVIOUSLY GRANTED REPLACEMENT OPTION IS EXERCISED IN THE SAME CALENDAR YEAR THAT IT WAS GRANTED.

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8. 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

ABBOTT LABORATORIES
1996 INCENTIVE STOCK PROGRAM
(as amended and restated through
February 20, 2004)

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 and restricted stock awards 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

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receiving Restricted Stock Awards 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 or 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) Performance Awards; and (g) 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

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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.

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- (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.

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- (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. (a) **RESTRICTED STOCK AWARDS AND RESTRICTED STOCK UNITS.** 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 therefore 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 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) a Restricted Stock Award 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) in the years 1996 through 2005, a Restricted Stock Award covering a number of common shares with a fair market value on the date of the award closest to, but not in excess of, Twenty-Two Thousand Dollars (\$22,000) for awards made in years 1996 through 2000 and Twenty-Five Thousand Dollars (\$25,000) for awards made in years 2001 through 2005.
- (b) **ISSUANCE OF CERTIFICATES.** As soon as practicable following the date of the award the Company shall issue certificates ("Certificates") to the Non-Employee Director receiving the award, representing the number of common shares covered by the award. Each Certificate shall bear a legend describing the restrictions on such shares imposed by this paragraph 13.
- (c) **RIGHTS.** Upon issuance of the Certificates, the directors in whose names they are registered shall, subject to the restrictions of this paragraph 13, have all of the rights of a shareholder with respect to the shares represented by the certificates, including the right to vote such shares and receive cash dividends and other distributions thereon.

- (d) **RESTRICTED PERIOD.** The shares covered by awards granted under this paragraph 13 may not be sold or otherwise disposed of within six (6) months following their grant date (unless such sale would not affect the exemption under Rule 16b-3 of the Securities and Exchange

Commission) and in addition shall be subject to the restrictions of this paragraph 13 for a period (the "Restricted Period") commencing with the date of the award and ending on the earliest of the following events:

- (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 20(c)).
- (e) **RESTRICTIONS.** All shares covered by awards granted under this paragraph 13 shall be subject to the following restrictions during the Restricted Period:
- (i) The shares 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 dividend, stock split or reorganization, 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.
- (f) 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. Those provisions of paragraph 17 which authorize the Committee to declare outstanding restricted stock awards to be vested and to amend or modify the terms of Benefits shall not apply to awards granted under this paragraph 13. Restricted Stock Awards 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

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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

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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 this Program or the Prior Programs to be exercisable and any or all then outstanding Restricted Stock Awards 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 (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

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- (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

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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.

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- (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

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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; and
 - (iv) 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.

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