

ABBOTT LABORATORIES  
Form DEF 14A  
March 15, 2011

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

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant o

Filed by a Party other than the Registrant o

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**Abbott Laboratories**

\_\_\_\_\_  
(Name of Registrant as Specified In Its Charter)

\_\_\_\_\_  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

\_\_\_\_\_

(2) Aggregate number of securities to which transaction applies:

\_\_\_\_\_

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

\_\_\_\_\_

(4) Proposed maximum aggregate value of transaction:

\_\_\_\_\_

Edgar Filing: ABBOTT LABORATORIES - Form DEF 14A

(5) Total fee paid:

---

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

---

(2) Form, Schedule or Registration Statement No.:

---

(3) Filing Party:

---

(4) Date Filed:

---



**Abbott Laboratories**  
**100 Abbott Park Road**  
**Abbott Park, Illinois 60064-6400 U.S.A.**

**On the Cover: *Thyronorm***

Dr. Madhuri Kulkarni, Mumbai, India

Dr. Madhuri Kulkarni is one of the many patients who take *Thyronorm*, elsewhere known as *Synthroid*, to treat hypothyroidism (under-active thyroid). As a patient advocate, she is educating men and women in India about the symptoms of thyroid disease.

---

## **Your Vote Is Important**

**Please sign and promptly return your proxy in the enclosed envelope or vote your shares by telephone or using the Internet.**

## **Notice of Annual Meeting of Shareholders**

### **Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 29, 2011**

The Annual Meeting of the Shareholders of Abbott Laboratories will be held at Abbott's headquarters, 100 Abbott Park Road, at the intersection of Route 137 and Waukegan Road, Lake County, Illinois, on Friday, April 29, 2011, at 9:00 a.m. for the following purposes:

To elect 10 directors to hold office until the next Annual Meeting or until their successors are elected (Item 1 on the proxy card),

To ratify the appointment of Deloitte & Touche LLP as auditors of Abbott for 2011 (Item 2 on the proxy card),

To vote on an advisory vote on the approval of executive compensation (Item 3 on proxy card),

To vote on an advisory vote on the approval of the frequency of shareholder votes on executive compensation (Item 4 on proxy card), and

To transact such other business as may properly come before the meeting, including consideration of a shareholder proposal, if presented at the meeting (Item 5 on the proxy card).

**The board of directors recommends that you vote FOR Items 1, 2, and 3 on the proxy card.**

**The board of directors recommends that you vote FOR an annual (1 year) shareholder advisory vote on the compensation awarded to Abbott's named officers (Item 4 on the proxy card).**

**The board of directors recommends that you vote AGAINST Item 5 on the proxy card.**

## Edgar Filing: ABBOTT LABORATORIES - Form DEF 14A

The close of business on March 2, 2011, has been fixed as the record date for determining the shareholders entitled to receive notice of and to vote at the Annual Meeting.

**Abbott's 2011 Proxy Statement and 2010 Annual Report to Shareholders are available at [www.abbott.com/proxy](http://www.abbott.com/proxy).** If you are a registered shareholder, you may access your proxy card by either:

Going to the following Web site: [www.investorvote.com/abt](http://www.investorvote.com/abt), entering the information requested on your computer screen and then following the simple instructions, or

Calling (in United States, US territories, and Canada), toll free 1-800-652-VOTE (8683) on a touch tone telephone, and following the simple instructions provided by the recorded message.

---

Admission to the meeting will be by admission card only. If you plan to attend, please complete and return the reservation form on the back cover, and an admission card will be sent to you. Due to space limitations, reservation forms must be received before April 22, 2011. Each admission card, along with photo identification, admits one person. A shareholder may request two admission cards, but a guest must be accompanied by a shareholder.

---

By order of the board of directors.

LAURA J. SCHUMACHER  
*Secretary*

March 15, 2011

### [Table of Contents](#)

	Page
Solicitation of Proxies	1
Information about the Annual Meeting	1
<i>Who Can Vote</i>	1
<i>Cumulative Voting</i>	1
<i>Voting by Proxy</i>	1
<i>Revoking a Proxy</i>	1
<i>Discretionary Voting Authority</i>	1
<i>Quorum and Vote Required to Approve Each Item on the Proxy</i>	2
<i>Effect of Broker Non-Votes and Abstentions</i>	2
<i>Inspectors of Election</i>	2
<i>Cost of Soliciting Proxies</i>	2
<i>Abbott Laboratories Stock Retirement Plan</i>	2
<i>Confidential Voting</i>	2
Information Concerning Nominees for Directors (Item 1 on Proxy Card)	3
<i>Nominees for Election as Directors</i>	4
The Board of Directors and its Committees	8
<i>The Board of Directors</i>	8
<i>Committees of the Board of Directors</i>	8
<i>Communicating with the Board of Directors</i>	9
<i>Corporate Governance Materials</i>	9
Director Compensation	10
Security Ownership of Executive Officers and Directors	12
Executive Compensation	13
<i>Compensation Discussion and Analysis</i>	13
<i>Compensation Committee Report</i>	19
<i>Compensation Risk Assessment</i>	20
<i>Performance Graph</i>	21
<i>Summary Compensation Table</i>	22

Edgar Filing: ABBOTT LABORATORIES - Form DEF 14A

	<b>Page</b>
<i>2010 Grants of Plan-Based Awards</i>	25
<i>2010 Outstanding Equity Awards at Fiscal Year-End</i>	26
<i>2010 Option Exercises and Stock Vested</i>	32
<i>Pension Benefits</i>	33
<i>2010 Nonqualified Deferred Compensation</i>	36
<i>Potential Payments Upon Termination or Change in Control</i>	37
Approval Process for Related Person Transactions	39
Ratification of Deloitte & Touche LLP as Auditors (Item 2 on Proxy Card)	40
Report of the Audit Committee	41
Say on Pay An Advisory Vote on the Approval of Executive Compensation (Item 3 on Proxy Card)	42
Say When on Pay An Advisory Vote on the Approval of the Frequency of Shareholder Votes on Executive Compensation (Item 4 on Proxy Card)	43
Shareholder Proposal	44
Shareholder Proposal on Pharmaceutical Pricing (Item 5 on Proxy Card)	45
<i>Proponent's Statement in Support of Shareholder Proposal</i>	45
<i>Board of Directors' Statement in Opposition to the Shareholder Proposal</i>	45
Section 16(a) Beneficial Ownership Reporting Compliance	46
Other Matters	46
Date for Receipt of Shareholder Proposals for the 2012 Annual Meeting Proxy Statement	46
Procedure for Recommendation and Nomination of Directors and Transaction of Business at Annual Meeting	46
General	47
EXHIBIT A DIRECTOR INDEPENDENCE STANDARD	A-1
Reservation Form for Annual Meeting	Back
	Cover

---

---

# Abbott Laboratories

## Proxy Statement

### Solicitation of Proxies

The accompanying proxy is solicited on behalf of the board of directors for use at the Annual Meeting of Shareholders. The meeting will be held on April 29, 2011, at Abbott's headquarters, 100 Abbott Park Road, at the intersection of Route 137 and Waukegan Road, Lake County, Illinois. This proxy statement and the accompanying proxy card are being mailed to shareholders on or about March 15, 2011.

---

### Information about the Annual Meeting

#### Who Can Vote

Shareholders of record at the close of business on March 2, 2011 will be entitled to notice of and to vote at the Annual Meeting. As of January 31, 2011, Abbott had 1,547,581,805 outstanding common shares, which are Abbott's only outstanding voting securities. All shareholders have cumulative voting rights in the election of directors and one vote per share on all other matters.

#### Cumulative Voting

Cumulative voting allows a shareholder to multiply the number of shares owned by the number of directors to be elected and to cast the total for one nominee or distribute the votes among the nominees, as the shareholder desires. Nominees who receive the greatest number of votes will be elected. If you wish to cumulate your votes, you must sign and mail in your proxy card or attend the Annual Meeting.

#### Voting by Proxy

All of Abbott's shareholders may vote by mail or at the Annual Meeting. The bylaws provide that a shareholder may authorize no more than two persons as proxies to attend and vote at the meeting. Most of Abbott's shareholders may also vote their shares by telephone or the Internet. If you vote by telephone or the Internet, you do not need to return your proxy card. The instructions for voting by telephone or the Internet can be found with your proxy card.

#### Revoking a Proxy

You may revoke your proxy by voting in person at the Annual Meeting or, at any time prior to the meeting:

by delivering a written notice to the secretary of Abbott,

by delivering an authorized proxy with a later date, or

by voting by telephone or the Internet after you have given your proxy.

#### Discretionary Voting Authority

Unless authority is withheld in accordance with the instructions on the proxy, the persons named in the proxy will vote the shares

---

## Edgar Filing: ABBOTT LABORATORIES - Form DEF 14A

covered by proxies they receive to elect the 10 nominees named in Item 1 on the proxy card. Should a nominee become unavailable to serve, the shares will be voted for a substitute designated by the board of directors, or for fewer than 10 nominees if, in the judgment of the proxy holders, such action is necessary or desirable. The persons named in the proxy may also decide to vote shares cumulatively so that one or more of the nominees may receive fewer votes than the other nominees (or no votes at all), although they have no present intention of doing so.

Where a shareholder has specified a choice for or against the ratification of the appointment of Deloitte & Touche LLP as auditors, the advisory vote on the approval of executive compensation, the advisory vote on the approval of the frequency of shareholder votes on executive compensation, or the approval of the shareholder proposal, or where the shareholder has abstained on these matters, the shares represented by the proxy will be voted (or not voted) as specified. Where no choice has been specified, the proxy will be voted FOR the ratification of Deloitte & Touche LLP as auditors, FOR the approval of executive compensation, FOR an annual (1 year) shareholder advisory vote, with respect to the advisory vote on the frequency of shareholder votes on executive compensation, and AGAINST the shareholder proposal.

With the exception of matters omitted from this proxy statement pursuant to the rules of the Securities and Exchange Commission, the board of directors is not aware of any other issue which may properly be brought before the meeting. If other matters are properly brought before the meeting, the accompanying proxy will be voted in accordance with the judgment of the proxy holders.

### **Quorum and Vote Required to Approve Each Item on the Proxy**

A majority of the outstanding shares entitled to vote on a matter, represented in person or by proxy, constitutes a quorum for consideration of that matter at the meeting. The affirmative vote of a majority of the shares represented at the meeting and entitled to vote on a matter shall be the act of the shareholders with respect to that matter.

### **Effect of Broker Non-Votes and Abstentions**

A proxy submitted by an institution such as a broker or bank that holds shares for the account of a beneficial owner may indicate that all or a portion of the shares represented by that proxy are not being voted with respect to a particular matter. This could occur, for example, when the broker or bank is not permitted to vote those shares in the absence of instructions from the beneficial owner of the stock. These "non-voted shares" will be considered shares not present and, therefore, not entitled to vote on those matters, although these shares may be considered present and entitled to vote for other purposes. Brokers and banks have discretionary authority to vote shares in absence of instructions on matters the New York Stock Exchange considers "routine", such as the ratification of the appointment of the auditors. They do not have discretionary authority to vote shares in absence of instructions on "non-routine" matters. The election of directors, the advisory vote on the approval of executive compensation, the advisory vote on the approval of the frequency of shareholder votes on executive compensation, and the shareholder proposal are considered "non-routine" matters. Non-voted shares will not affect the determination of the outcome of the vote on any matter to be decided at the meeting. Shares represented by proxies which are present and entitled to vote on a matter but which have elected to abstain from voting on that matter will have the effect of votes against that matter.

### **Inspectors of Election**

The inspectors of election and the tabulators of all proxies, ballots, and voting tabulations that identify shareholders are independent and are not Abbott employees.

### **Cost of Soliciting Proxies**

Abbott will bear the cost of making solicitations from its shareholders and will reimburse banks and brokerage firms for out-of-pocket expenses incurred in connection with this solicitation. Proxies may be solicited by mail, telephone, Internet, or in person by directors, officers, or employees of Abbott and its subsidiaries.

Abbott has retained Georgeson Inc. to aid in the solicitation of proxies, at an estimated cost of \$19,500 plus reimbursement for reasonable out-of-pocket expenses.

### **Abbott Laboratories Stock Retirement Plan**

Participants in the Abbott Laboratories Stock Retirement Plan will receive a voting instruction card for their shares held in the Abbott Laboratories Stock Retirement Trust. The Stock Retirement Trust is administered by both a trustee and an investment committee. The trustee of the Trust is Mercer Trust Company. The members of the investment committee are Stephen R. Fussell, William H. Preece, Jr., and Valentine Yien, employees of Abbott. The voting power with respect to the shares is held by and shared between the investment committee and the participants. The investment committee must solicit voting instructions from the participants and follow the voting instructions it receives. The investment committee may use its own discretion with respect to those shares for which no voting instructions are received.



## Confidential Voting

It is Abbott's policy that all proxies, ballots, and voting tabulations that reveal how a particular shareholder has voted be kept confidential and not be disclosed, except:

where disclosure may be required by law or regulation,

where disclosure may be necessary in order for Abbott to assert or defend claims,

where a shareholder provides comments with a proxy,

where a shareholder expressly requests disclosure,

to allow the inspectors of election to certify the results of a vote, or

in other limited circumstances, such as a contested election or proxy solicitation not approved and recommended by the board of directors.

---

2

---

## Information Concerning Nominees for Directors (Item 1 on Proxy Card)

Ten directors are to be elected to hold office until the next Annual Meeting or until their successors are elected. All of the nominees are currently serving as directors.

---

3

---

## Nominees for Election as Directors

**Robert J. Alpern, M.D.**

**Age 60**

**Director since 2008**

*Ensign Professor of Medicine, Professor of Internal Medicine, and Dean of Yale School of Medicine, New Haven, Connecticut*

**Dr. Alpern has served as the Ensign Professor of Medicine, Professor of Internal Medicine, and Dean of Yale School of Medicine since June 2004. From July 1998 to June 2004, Dr. Alpern was the Dean of The University of Texas Southwestern Medical Center. He joined the faculty of The University of Texas Southwestern Medical Center in 1987 as Associate Professor and Chief of the Division of Nephrology. Dr. Alpern also served as Professor of Internal Medicine and held the Ruth W. and Milton P. Levy, Sr. Chair in Molecular Nephrology and the Atticus James Gill, M.D. Chair in Medical Science, while on the faculty of The University of Texas Southwestern Medical Center. Dr. Alpern served on the Scientific**

9

Advisory Board of Ilypsa from 2004 until 2007 and since 2007 has served on the Scientific Advisory Board of Relypsa. Dr. Alpern also serves as a Director on the Board of Yale New Haven Hospital. As the Ensign Professor of Medicine, Professor of Internal Medicine, and Dean of Yale School of Medicine, Dean of The University of Texas Southwestern Medical Center, and as a director Yale New Haven Hospital, Dr. Alpern provides Abbott's board with experience in academic administration, medicine, and medical and scientific research and development.

---

**Roxanne S. Austin**

**Age 50**

**Director since 2000**

*Former President and Chief Executive Officer, Move Networks, Inc., American Fork, Utah (Telecommunications)*

Mrs. Austin served as president, chief executive officer and a director of Move Networks, Inc., an IP-based television solution provider, from July 2009 to July 2010. From January 2004 to June 2009, she was the president of Austin Investment Advisors, a private investment and consulting firm. She served as president and chief operating officer of DIRECTV, Inc. from June 2001 to December 2003. She also served as executive vice president of Hughes Electronics Corporation and as a member of its executive committee until December 2003. From 1997 to June 2001, Mrs. Austin was the corporate senior vice president and chief financial officer of Hughes Electronics Corporation. Prior to joining Hughes in 1993, Mrs. Austin was a partner at the accounting firm Deloitte & Touche. Mrs. Austin earned her B.B.A. degree in accounting from the University of Texas at San Antonio. She serves on the board of trustees of the California Science Center. Mrs. Austin serves on the board of directors of Target Corporation, Teledyne Technologies Inc., and Telefonaktiebolaget LM Ericsson (LM Ericsson Telephone Company). As the president and chief executive officer of Move Networks, Inc., president and chief operating officer of DIRECTV, Inc., and executive vice president of Hughes Electronics Corporation, Mrs. Austin acquired strong management experience with a major public company with successful multinational operations. As a former partner at the accounting firm Deloitte & Touche, she provides Abbott's board with experience in finance matters.

---

**W. James Farrell**

**Age 68**

**Director since 2006**

*Retired Chairman and Chief Executive Officer of Illinois Tool Works Inc., Glenview, Illinois (Worldwide Manufacturer of Highly Engineered Products and Specialty Systems)*

Mr. Farrell served as the chairman of Illinois Tool Works Inc. from 1996 to 2006 and as its chief executive officer from 1995 to 2005. He currently serves on the board of directors of Allstate Insurance Company, UAL Corporation, and 3M. Mr. Farrell also served on the board of directors of Kraft Foods, Inc. from 2001 to 2006 and Sears, Roebuck and Company from 1999 to 2005. As the chairman and chief executive officer of Illinois Tool Works, Mr. Farrell acquired strong management experience with a major public company with successful multinational operations which he contributes to Abbott's board.

**H. Laurance Fuller**

**Age 72**

**Director since 1988**

*Retired Co-Chairman of the Board, BP Amoco, p.l.c., London, United Kingdom  
(Integrated Petroleum and Chemicals Company)*

Mr. Fuller was elected president of Amoco Corporation in 1983 and chairman and chief executive officer in 1991. As the result of the merger of British Petroleum, p.l.c. and Amoco effective December 31, 1998, he became co-chairman of BP Amoco, p.l.c. He retired from that position in April 2000. He currently serves as a director of Cabot Microelectronics Corporation and The Nature Conservancy of South Carolina, and a life trustee of The Orchestral Association and presidential counselor of Cornell University. Mr. Fuller also served on the board of directors of Motorola, Inc. from 1994 to 2007. As the co-chairman of the board, BP Amoco and chairman and chief executive officer of Amoco Corporation, Mr. Fuller acquired strong management experience with a major public company with successful multinational operations, which he contributes to Abbott's board.

---

**Edward M. Liddy**

**Age 65**

**Director since 2010**

*Partner, Clayton, Dubilier & Rice, LLC, New York, New York (Private Equity Investment Firm)*

Mr. Liddy has been a partner in the private equity investment firm Clayton, Dubilier & Rice, LLC since January 2010, having also been a partner at such firm from April to September 2008. From September 2008 to August 2009, Mr. Liddy was the interim chairman and chief executive officer of American International Group, Inc. (AIG), a global insurance and financial services holding company. He served at AIG at the request of the U.S. Department of the Treasury in conjunction with the U.S. Government's actions to provide stability to AIG and certain other financial service firms. From January 1999 to April 2008, Mr. Liddy served as chairman of the board of the Allstate Corporation. He served as chief executive officer of Allstate from January 1999 to December 2006, President from January 1995 to May 2005, and chief operating officer from August 1994 to January 1999. Mr. Liddy currently serves on the board of directors of 3M Company and The Boeing Company. In addition, Mr. Liddy formerly served on the boards of The Kroger Co. from 1996 to 2006, The Goldman Sachs Group, Inc. from 2003 to 2008, and The Boeing Company from 2007 to 2008. Mr. Liddy received his undergraduate degree from Catholic University and his Masters of Business Administration from George Washington University. As the chairman and chief executive officer of Allstate Corporation and American International Group, Inc., Mr. Liddy acquired strong management experience with a major public company with successful multinational operations. As a partner of Clayton, Dubilier & Rice, LLC, Mr. Liddy provides Abbott's board with experience in finance matters, which he contributes to Abbott's board.

---

**Phebe N. Novakovic**

**Age 53**

**Director since 2010**

*Executive Vice President, Marine Systems, General Dynamics Corporation, Falls Church, Virginia (Worldwide Defense, Aerospace, and Other Technology Products Manufacturer)*

Ms. Novakovic has been executive vice president, Marine Systems of General Dynamics Corporation since May 2010 and from May 2005 to April 2010, Ms. Novakovic served as its senior vice president planning and development. She was elected vice president of General Dynamics in October 2002 after joining the company in May 2001. Previously, Ms. Novakovic was special assistant to the Secretary and Deputy Secretary of Defense, and had been a deputy associate director of the Office of Management and Budget. As the executive vice president and group executive of General Dynamics Corporation's Marine Systems group, Ms. Novakovic has strong management experience with a major public company with successful multinational operations and experience in finance matters.

---

**William A. Osborn**

**Age 63**

**Director since 2008**

*Retired Chairman and Chief Executive Officer of Northern Trust Corporation (A Multibank Holding Company) and The Northern Trust Company, Chicago, Illinois (Banking Services Company)*

Mr. Osborn was chairman of Northern Trust Corporation from 1995 through 2009 and served as its chief executive officer from 1995 through 2007. Mr. Osborn currently serves as a director of Caterpillar Inc., General Dynamics Corporation, and Tribune Company. He is chairman of the Board of Trustees of Northwestern University and also serves as chairman of the Chicago Symphony Orchestra Association. Mr. Osborn served on the board of directors of Nicor, Inc. from 1999 to 2006. He holds a B.A. degree and an M.B.A. degree from Northwestern University. As the chairman and chief executive officer of Northern Trust Corporation and The Northern Trust Company, Mr. Osborn acquired strong management experience with a major public company with successful multinational operations and experience in finance matters, which he contributes to Abbott's board.

---

**Samuel C. Scott III**

**Age 66**

**Director since 2007**

*Retired Chairman, President and Chief Executive Officer of Corn Products International, Inc., Westchester, Illinois (A Corn Refining Company)*

Mr. Scott retired as chairman, president and chief executive officer of Corn Products International in 2009, after having served in those positions since 1997. He was president of the Corn Refining Division of CPC International from 1995 through 1997, when CPC International spun off Corn Products International as a separate corporation. Mr. Scott currently serves on the board of directors of Bank of New York Mellon Corporation, Motorola Solutions, Inc. (formerly Motorola, Inc.), the Chicago Council on Global Affairs, the Chicago Urban League, Northwestern Healthcare, and Chicago Sister Cities. Mr. Scott graduated from Fairleigh Dickinson University. As the chairman, president and chief executive officer of Corn Products International, Mr. Scott acquired strong management experience with a major public company with successful multinational operations and experience in finance matters, which he contributes to Abbott's board.

---

**Glenn F. Tilton**

**Age 62**

**Director since 2007**

*Non-Executive Chairman of the Board, United Continental Holdings, Inc., Chicago, Illinois (Holding Company)*

Mr. Tilton has been non-executive chairman of the board of United Continental Holdings, Inc. since October 2010. From September 2002 to October 2010, he served as chairman, president and chief executive officer of UAL Corporation, a holding company, and United Air Lines, Inc., an air transportation company and wholly owned subsidiary of UAL Corporation. UAL Corporation filed a voluntary bankruptcy petition under the federal bankruptcy laws in December 2002 and exited bankruptcy in February 2006. From October 2001 to August 2002, Mr. Tilton served as vice chairman of the board of Chevron Texaco Corporation (global energy). In addition, from May 2002 to September 2002, he served as non-executive chairman of Dynegy, Inc. (energy). From February to October 2001, he served as chairman and chief executive officer of Texaco Inc. (global energy). Mr. Tilton is also a director of United Continental Holdings, Inc. and Corning Incorporated. He was named by President Obama to the Presidential Export Council and by U.S. Transportation Secretary Ray LaHood to the Future of Aviation Advisory Committee. He serves on the board of the directors of Northwestern Memorial Hospital, on the board of trustees for the Field Museum and the Museum of Science and Industry, as a Chairman of CEO's Against Cancer, and as a Member of the Board of Ambassadors Discovery Ball American Cancer Society. Mr. Tilton also served on the board of directors of Lincoln National

Corporation from 2002 to 2007 and TXU Corporation from 2005 to 2007. As non-executive chairman of the board of United Continental Holdings, Inc., chairman, as president and chief executive officer of UAL Corporation and United Air Lines, and having previously served as vice chairman of Chevron Texaco and as non-executive chairman of Dynegy, Inc., Mr. Tilton acquired strong management experience with a major public company with successful multinational operations and experience in finance matters, which he contributes to Abbott's board.

6

**Miles D. White**

**Age 56**

**Director since 1998**

*Chairman of the Board and Chief Executive Officer, Abbott Laboratories*

**Mr. White has served as Abbott's chairman of the board and chief executive officer since 1999. He served as an executive vice president of Abbott from 1998 to 1999, as senior vice president, diagnostics operations from 1994 to 1998, and as vice president, diagnostics systems operations from 1993 to 1994. Mr. White joined Abbott in 1984. He received both his bachelor's degree in mechanical engineering and M.B.A. degree from Stanford University. He serves on the board of trustees of The Culver Educational Foundation, The Field Museum in Chicago, and Northwestern University. He currently serves as a director of Caterpillar, Inc. and McDonald's Corporation. Mr. White also served on the board of directors of Motorola, Inc. from 2005 to 2009 and Tribune Company from 2005 to 2007. Serving as Abbott's chairman of the board and chief executive officer since 1999 and having joined Abbott in 1984, Mr. White contributes to Abbott's board not only his strong management experience with a major public company with successful multinational operations, but also his depth of knowledge of Abbott and its operations, ensuring the appropriate level of oversight and responsibility is applied to all board decisions.**

7

## **The Board of Directors and its Committees**

### **The Board of Directors**

The board of directors held seven meetings in 2010. The average attendance of all incumbent directors at board and committee meetings in 2010 was 97 percent. Abbott encourages its board members to attend the annual shareholders meeting. Last year, all of Abbott's directors attended the annual shareholders meeting.

The board has determined that each of the following directors is independent in accordance with the New York Stock Exchange listing standards: R. J. Alpern, R. S. Austin, W. J. Farrell, H. L. Fuller, E. M. Liddy, P. N. Novakovic, W. A. Osborn, D. A. L. Owen, R. S. Roberts, S. C. Scott III, W. D. Smithburg, and G. F. Tilton. To determine independence, the board applied the categorical standards attached as Exhibit A to this proxy statement. The board also considered whether a director has any other material relationships with Abbott or its subsidiaries and concluded that none of these directors had a relationship that impaired the director's independence. This included consideration of the fact that some of the directors are officers or serve on boards of companies or entities to which Abbott sold products or made contributions or from which Abbott purchased products and services during the year. In making its determination, the board relied on both information provided by the directors and information developed internally by Abbott.

The board has risk oversight responsibility for Abbott and administers this responsibility both directly and with assistance from its committees. The board has determined that the current leadership structure, in which the offices of chairman and chief executive officer are held by one individual and an independent director acts as lead director, ensures the appropriate level of oversight, independence, and responsibility is applied to all board decisions, including risk oversight, and is in the best interests of Abbott and its shareholders. The chairman of the nominations and governance committee acts as the lead director to facilitate communication with the board and presides over regularly conducted executive sessions of the independent directors or sessions where the chairman of the board is not present. It is the role of the lead director to review and approve matters, such as agenda items, schedule sufficiency, and, where appropriate, information provided to other board

members. The lead director is chosen by and from the independent members of the board of directors, and serves as the liaison between the chairman and the independent directors; however, all directors are encouraged to, and in fact do, consult with the chairman on each of the above topics as well. The lead director, and each of the other directors, communicates regularly with the chairman and chief executive officer regarding appropriate agenda topics and other board related matters.

Abbott directors have backgrounds that when combined provide a portfolio of experience and knowledge that serve Abbott's governance and strategic needs. Director nominees are considered on the basis of a range of criteria including broad-based business knowledge and relationships, prominence and excellent reputations in their primary fields of endeavor, as well as a global business perspective and commitment to good corporate citizenship. They must have demonstrated experience and ability that is relevant to the board's oversight role with respect to Abbott's business and affairs. Each director's biography includes the particular experience and qualifications that led the board to conclude that the director should serve on the board. The directors' biographies are on pages 4 to 7.

### Committees of the Board of Directors

The board of directors has five committees established in Abbott's bylaws: the executive committee, audit committee, compensation committee, nominations and governance committee, and public policy committee. Each of the members of the audit committee, compensation committee, nominations and governance committee, and public policy committee is independent.

The executive committee, whose members are M. D. White, chairman, R. S. Austin, H. L. Fuller, R. S. Roberts, and W. D. Smithburg, held three meetings in 2010. This committee may exercise all the authority of the board in the management of Abbott, except for matters expressly reserved by law for board action.

The audit committee, whose members are R. S. Austin, chair, E. M. Liddy, D. A. L. Owen, S. C. Scott III, W. D. Smithburg, and G. F. Tilton, held seven meetings in 2010. The committee is governed by a written charter. This committee assists the board of directors in fulfilling its oversight responsibility with respect to Abbott's accounting and financial reporting practices and the audit process, the quality and integrity of Abbott's financial statements, the independent auditors' qualifications, independence, and performance, the performance of Abbott's internal audit function and internal auditors, and certain areas of legal and regulatory compliance. Each of the members of the audit committee is financially literate, as required of audit committee members by the New York Stock Exchange. The board of directors has determined that R. S. Austin, the committee's chair, is an "audit committee financial expert." A copy of the report of the audit committee is on page 41.

The compensation committee, whose members are W. D. Smithburg, chairman, W. J. Farrell, H. L. Fuller, E. M. Liddy, and W. A. Osborn, held five meetings in 2010. The committee is governed by a written charter. This committee assists the board of directors in carrying out the board's responsibilities relating to the compensation of Abbott's executive officers and directors. The compensation committee annually reviews the compensation paid to the members of the board and gives its recommendations to the full

---

8

board regarding both the amount of director compensation that should be paid and the allocation of that compensation between equity-based awards and cash. In recommending director compensation, the compensation committee takes comparable director fees into account and reviews any arrangement that could be viewed as indirect director compensation. The processes and procedures used for the consideration and determination of executive compensation are described in the section of the proxy captioned, "Compensation Discussion and Analysis." This committee also reviews, approves, and administers the incentive compensation plans in which any executive officer of Abbott participates and all of Abbott's equity-based plans. It may delegate the responsibility to administer and make grants under these plans to management, except to the extent that such delegation would be inconsistent with applicable law or regulation or with the listing rules of the New York Stock Exchange. The compensation committee has the sole authority, under its charter, to select, retain and/or terminate independent compensation advisors. The committee has engaged Aon Hewitt to provide counsel and advice on executive and non-employee director compensation matters. Aon Hewitt, and its principal, report directly to the chair of the committee. The principal meets regularly, and as needed, with the committee in executive sessions, has direct access to the chair during and between meetings, and performs no other services for Abbott or its senior executives. The committee determines what variables it will instruct Aon Hewitt to consider, and they include: peer groups against which performance and pay should be examined, financial metrics to be used to assess Abbott's relative performance, competitive long-term incentive practices in the marketplace, and compensation levels relative to market practice. The committee negotiates and approves any fees paid to Aon Hewitt for these services. In 2010, the committee authorized payment of approximately \$336,450 to Aon Hewitt for services rendered to the committee relating to executive compensation. Separately, Abbott management engaged Aon Hewitt to perform and paid approximately \$11 million for unrelated services, including actuarial work, pension design and administration, insurance, and general consulting. The compensation committee was informed about these services, but its formal approval was not requested. A copy of the compensation committee report is on page 19.

## Edgar Filing: ABBOTT LABORATORIES - Form DEF 14A

The nominations and governance committee, whose members are H. L. Fuller, chairman, W. J. Farrell, P. N. Novakovic, W. A. Osborn, D. A. L. Owen, and R. S. Roberts, held two meetings in 2010. The committee is governed by a written charter. This committee assists the board of directors in identifying individuals qualified to become board members and recommends to the board the nominees for election as directors at the next annual meeting of shareholders, recommends to the board the persons to be elected as executive officers of Abbott, develops and recommends to the board the corporate governance guidelines applicable to Abbott, and serves in an advisory capacity to the board and the chairman of the board on matters of organization, management succession plans, major changes in the organizational structure of Abbott, and the conduct of board activities. The process used by this committee to identify a nominee to serve as a member of the board of directors depends on the qualities being sought. From time to time, Abbott engages an executive search firm to assist the committee in identifying individuals qualified to be board members. Board members should have backgrounds that when combined provide a portfolio of experience and knowledge that will serve Abbott's governance and strategic needs. In the process of identifying nominees to serve as a member of the board of directors, the nominations and governance committee considers the board's diversity of ethnicity, gender, and geography and assesses the effectiveness of the process in achieving that diversity. Board candidates will be considered on the basis of a range of criteria, including broad-based business knowledge and relationships, prominence and excellent reputations in their primary fields of endeavor, as well as a global business perspective and commitment to good corporate citizenship. Directors should have demonstrated experience and ability that is relevant to the board of directors' oversight role with respect to Abbott's business and affairs.

The public policy committee, whose members are R. S. Roberts, chair, R. J. Alpern, R. S. Austin, and P. N. Novakovic held one meeting in 2010. The committee is governed by a written charter. This committee assists the board of directors in fulfilling its oversight responsibility with respect to Abbott's public policy, certain areas of legal and regulatory compliance, and governmental affairs and healthcare compliance issues that affect Abbott by discharging the responsibilities set forth in its charter.

### Communicating with the Board of Directors

Interested parties may communicate with the board of directors by writing a letter to the chairman of the board, to the chairman of the nominations and governance committee, who acts as the lead director at the meetings of the independent directors, or to the independent directors c/o Abbott Laboratories, 100 Abbott Park Road, D-364, AP6D, Abbott Park, Illinois 60064-6400 Attention: corporate secretary. The general counsel and corporate secretary regularly forwards to the addressee all letters other than mass mailings, advertisements, and other materials not relevant to Abbott's business. In addition, directors regularly receive a log of all correspondence received by the company that is addressed to a member of the board and may request any correspondence on that log.

### Corporate Governance Materials

Abbott's corporate governance guidelines, outline of directorship qualifications, director independence standards, code of business conduct and the charters of Abbott's audit committee, compensation committee, nominations and governance committee, and public policy committee are all available in the corporate governance section of Abbott's investor relations Web site ([www.abbottinvestor.com](http://www.abbottinvestor.com)).

9

### Director Compensation

Abbott employees are not compensated for serving on the board or board committees. Abbott's non-employee directors are compensated for their service under the Abbott Laboratories Non-Employee Directors' Fee Plan and the Abbott Laboratories 2009 Incentive Stock Program.

The following table sets forth a summary of the non-employee directors' 2010 compensation.

Name	Fees Earned or Paid in Cash (\$ (1))	Stock Awards (\$ (2))	Option Awards (\$ (3))	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$ (4))	All Other Compensation (\$ (5))	Total (\$)
R. J. Alpern	\$ 114,000	\$ 106,960	\$ 0	\$ 1,604	\$ 8,266	\$ 230,830
R. S. Austin	132,000	106,960	0	0	0	238,960

Edgar Filing: ABBOTT LABORATORIES - Form DEF 14A

Name	Fees Earned or Paid in Cash (\$ (1))	Stock Awards (\$ (2))	Option Awards (\$ (3))	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$ (4))	All Other Compensation (\$ (5))	Total (\$)
W. M. Daley	114,000	106,960	0	0	6,370	227,330
W. J. Farrell	114,000	106,960	0	5,772	8,881	235,613
H. L. Fuller	126,000	106,960	0	0	25,331	258,291
E. M. Liddy	58,000	0	0	0	0	58,000
P. N. Novakovic	57,000	0	0	0	0	57,000
W. A. Osborn	114,000	106,960	0	0	2,894	223,854
D. A. L. Owen	120,000	106,960	0	0	25,000	251,960
W. A. Reynolds	42,000	0	0	6,402	67,907	116,309
R. S. Roberts	122,000	106,960	0	5,346	32,185	266,491
S. C. Scott III	120,000	106,960	0	0	0	226,960
W. D. Smithburg	132,000	106,960	0	2,243	96,902	338,105
G. F. Tilton	120,000	106,960	0	0	28,559	255,519

(1) Under the Abbott Laboratories Non-Employee Directors' Fee Plan, non-employee directors earn \$9,500 for each month of service as a director (effective as of the 2011 Annual Meeting, this will increase to \$10,500 for each month of service) and \$1,000 for each month of service as a chairman of a board committee, other than the chairman of the audit committee. The chairman of the audit committee receives \$1,500 for each month of service as a chairman of that committee and the other members of the audit committee receive \$500 for each month of service as a committee member.

Fees earned under the Abbott Laboratories Non-Employee Directors' Fee Plan are paid in cash to the director, paid in the form of vested non-qualified stock options (based on an independent appraisal of their fair value), deferred (as a non-funded obligation of Abbott), or paid currently into an individual grantor trust established by the director. The distribution of deferred fees and amounts held in a director's grantor trust generally commences when the director reaches age 65, or upon retirement from the board of directors. The director may elect to have deferred fees and fees deposited in trust credited to either a guaranteed interest account at the prime rate plus 2.25 percentage points or to a stock equivalent account that earns the same return as if the fees were invested in Abbott stock. If necessary, Abbott contributes funds to a director's trust so that as of year end the stock equivalent account balance (net of taxes) is not less than seventy-five percent of the market value of the related Abbott common stock at year end. Abbott pays the director for any tax owed with respect to the income earned by the trust or any supplemental contributions to the trust by Abbott.

10

(2) The amounts reported in this column represent the aggregate grant date fair value of the awards in accordance with Financial Accounting Standards Board ASC Topic 718. Abbott determines the grant date fair value of stock unit awards by multiplying the

16



## Edgar Filing: ABBOTT LABORATORIES - Form DEF 14A

number of restricted stock units granted by the average of the high and low market prices of an Abbott common share on the date of grant.

In addition to the fees described in footnote 1, the Abbott Laboratories 2009 Incentive Stock Program provides that each non-employee director elected to the board of directors at the annual shareholder meeting receives vested restricted stock units having a value of \$107,000 (rounded down). In 2010, this was 2,108 units. Effective as of the 2011 Annual Meeting, each non-employee director elected at the annual shareholder meeting will receive vested restricted stock units having a value of \$113,000 (rounded down). The non-employee directors receive cash payments equal to the dividends paid on the Abbott shares covered by the units at the same rate as other shareholders. Upon termination, retirement from the board, death, or a change in control of Abbott, a non-employee director will receive one Abbott common share for each restricted stock unit outstanding under the Incentive Stock Program.

The following restricted stock units were outstanding as of December 31, 2010: R. J. Alpern, 4,573; R. S. Austin, 12,236; W. M. Daley, 12,236; W. J. Farrell, 10,347; H. L. Fuller, 12,236; W. A. Osborn, 6,490; D. A. L. Owen, 12,236; R. S. Roberts, 12,236; S. C. Scott III, 8,220; W. D. Smithburg, 12,236; and, G. F. Tilton, 8,220.

(3) The following options were outstanding as of December 31, 2010: R. S. Austin, 6,668; H. L. Fuller, 37,782; D. A. L. Owen, 16,548; W. A. Reynolds, 25,461; R. S. Roberts, 16,179; and, W. D. Smithburg, 10,091.

(4) The totals in this column include reportable interest credited under Abbott Laboratories Non-Employee Directors' Fee Plan during the year.

(5) The amounts reported in this column include tax payments made primarily in connection with the director's existing trust established under the Abbott Laboratories Non-Employee Directors' Fee Plan, as follows: H. L. Fuller, \$22,007; W. A. Reynolds, \$44,765, and, W. D. Smithburg, \$63,807. Charitable contributions made by Abbott's non-employee directors are eligible for a matching contribution (up to \$25,000 annually). These amounts also include charitable matching grant contributions, as follows: R. J. Alpern, \$3,500; D. A. L. Owen, \$25,000; W. A. Reynolds, \$16,500; R. S. Roberts, \$20,000; W. D. Smithburg, \$25,000; and, G. F. Tilton, \$25,000.

11

### Security Ownership of Executive Officers and Directors

The table below reflects the number of common shares beneficially owned as of January 31, 2011, by each director, by the chief executive officer, the chief financial officer, and the three other most highly paid executive officers (the "named officers"), and by all directors and executive officers of Abbott as a group. It also reflects the number of stock equivalent units and restricted stock units held by non-employee directors under the Abbott Laboratories Non-Employee Directors' Fee Plan.

Name	Shares Beneficially Owned (1)(2)(3)	Stock Options Exercisable within 60 days of January 31, 2011	Stock Equivalent Units
R. J. Alpern	4,573	0	1,231
R. S. Austin	19,080	6,668	0
W. J. Farrell	11,347	0	0
T. C. Freyman	388,285	803,756	0
H. L. Fuller	17,436	37,782	61,829

## Edgar Filing: ABBOTT LABORATORIES - Form DEF 14A

Name	Shares Beneficially Owned (1)(2)(3)	Stock Options Exercisable within 60 days of January 31, 2011	Stock Equivalent Units
R. A. Gonzalez	137,333	521,192	0
E. M. Liddy	1,135	0	1,166
J. V. Mazzo	76,596	449,072	0
P. N. Novakovic	500	0	0
W. A. Osborn	20,490	0	6,341
D. A. L. Owen	14,196	16,548	6,783
R. S. Roberts	23,728	4,738	1,605
L. J. Schumacher	135,563	503,946	0
S. C. Scott III	14,220	0	5,798
W. D. Smithburg	45,170	10,091	136,068
G. F. Tilton	15,570	0	8,241
M. D. White	1,282,914	4,296,672	0

All directors and