ABBOTT LABORATORIES
Form DEF 14A
March 18, 2016

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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 ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o 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)

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(3) Filing Party:

(4) Date Filed:

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

On the Cover: ***Valcote ER***

Natalia Vilches Salas, Santiago, Chile

Civil Engineering student Natalia Vilches Salas (front) doesn't let epilepsy stand in the way of her active life and busy school schedule. She takes Abbott's *Valcote* to help control her symptoms, allowing her to pursue the the things she loves, like playing the guitar, hiking the Andes Mountains and kayaking with her friend, Daniela Palma Carrasco.

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

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.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 29, 2016

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, 2016, at 9:00 a.m. for the following purposes:

- To elect 11 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 Ernst & Young LLP as auditors of Abbott for 2016 (Item 2 on the proxy card),
- To vote on an advisory vote on the approval of executive compensation (Item 3 on proxy card), and
- To transact such other business as may properly come before the meeting.

The Board of Directors recommends that you vote FOR Items 1, 2, and 3 on the proxy card.

The close of business on March 2, 2016, 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 2016 Proxy Statement and 2015 Annual Report to Shareholders are available at www.abbott.com/proxy.

If you are a registered shareholder, you may access your proxy card by either:

- Going to the following website: *www.investorvote.com/abt*, entering the information requested on your computer screen and then following the simple instructions, or
- Calling (in the United States, U.S. 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, 2016. 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.

Hubert L. Allen
Secretary

March 18, 2016

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PROXY SUMMARY

This summary contains highlights about Abbott and the upcoming 2016 Annual Meeting of Shareholders. This summary does not contain all of the information that you should consider in advance of the meeting, and we encourage you to read the entire proxy statement carefully before voting.

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, 2016, 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 18, 2016.

DIVERSIFIED GROWTH AND INCOME

Abbott's investment identity is one of long-term diversified growth and increasing returns to shareholders. Over the last 5 years, Abbott has delivered a cumulative total shareholder return (TSR) of 123%, significantly outperforming both the Standard & Poor's 500 Index (S&P 500) and the Dow Jones Industrial Average (DJIA) over that same time horizon.

5-YEAR TSR*: LONG-TERM GROWTH
Over the past 5 years, Abbott has outperformed both major stock market indices

* Source: Thomson Reuters. Thomson Reuters applied an adjustment factor to adjust Abbott historical share prices prior to and up through December 31, 2012 to account for the AbbVie Inc. (AbbVie) separation, which was effective on January 1, 2013. To accurately reflect the TSR created by Abbott since the AbbVie separation, Abbott uses the daily dividend reinvestment methodology to calculate TSR. Other financial data providers may use different methodologies to adjust for the AbbVie separation, which may produce different results.

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BROAD AND WELL-BALANCED

Abbott is well-established with a decades-long presence in the world's largest markets with 50% of its revenue from faster-growing emerging geographies and 50% from more developed economies. Abbott also has a beneficial balance between different types of payers which is evenly divided between traditional healthcare payers and direct consumers.

The four principal businesses that compose Abbott are leaders in large, attractive markets and aligned with favorable, long-term healthcare trends. These businesses operate in different sectors of the overall healthcare market: nutritionals, pharmaceuticals, diagnostics, and innovation-driven medical devices. Our presence and expertise in these sectors allow us to create new solutions across the spectrum of health and for all stages of life that help people live their best lives through better health. The breadth and balance of our business and product portfolio enable us to help more people, in more places, and increase our stability in an ever-changing world.

NUTRITION

34% of Abbott revenue

Leadership in pediatric and adult nutrition

Science-based new product pipeline

Competes in medical and consumer markets

ESTABLISHED PHARMACEUTICALS

18% of Abbott revenue

100% of sales in emerging geographies

Competes in branded generic pharmaceutical markets; high patient/consumer interactions

DIAGNOSTICS

MEDICAL DEVICES

23% of Abbott revenue	25% of Abbott revenue
Competes in core laboratory diagnostics, molecular diagnostics, and point-of-care diagnostics markets	Leadership in coronary devices, mitral valve repair, and LASIK
Leadership in immunoassay diagnostics and blood screening	Competes in innovation-driven medical devices in vascular, diabetes, and vision care markets

* Continuing operations exclude the businesses sold in the first quarter of 2015: Abbott's developed markets branded generics business and Animal Health business.

GOVERNANCE HIGHLIGHTS

The Board of Directors regularly monitors best practices in governance and adopts measures that it determines are in the best interest of Abbott and its shareholders. Highlights of our governance practices include:

BOARD OF DIRECTORS

- 10 of 11 directors are independent
- All directors elected annually
- Independent lead director since 2005
- No former employees serve as directors
- Executive sessions of independent directors at each regularly scheduled Board meeting
- 97% average attendance of all directors at Board and committee meetings in 2015
- Annual succession planning for management
- Annual Board and Board committee self-assessments
- Adopted a proxy access policy in 2015

Our independent directors bring diverse and relevant skills, experience, and perspectives.

SHAREHOLDER INTERESTS

We actively engage with our shareholders throughout the year to understand and consider issues that matter most to them.

- During 2015, we conducted outreach with a cross-section of shareholders representing more than 40% of our outstanding shares.

We hold an annual "Say on Pay" advisory vote to approve executive compensation.

Abbott's Public Policy Committee oversees corporate political contributions, legal and regulatory compliance, and healthcare compliance.

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SUSTAINABILITY

As an innovative, responsible, and sustainable business, Abbott serves an important role in building a healthy society. We strive to foster economic, environmental, and social well-being everywhere we operate, in everything we do, and in partnership with others.

- For the third consecutive year, Abbott was named the leading company in its industry by the Dow Jones Sustainability Index (DJSI). This was the 11th consecutive year that Abbott was recognized for sustainability leadership through its inclusion on the DJSI, including both the Dow Jones Sustainability World Index and the Dow Jones Sustainability North America Index.

- Abbott was ranked No. 1 for Social Responsibility in its industry sector (Medical Products and Equipment) on the Fortune Most Admired Companies list in 2014 and 2015.

- Abbott has been included in the global 100 Best Corporate Citizens list compiled by Corporate Responsibility magazine for seven consecutive years, 2009 to 2015.

- Abbott has set 2020 goals to significantly reduce its environmental impacts in the areas of carbon dioxide emissions, total water intake, and total waste generated.

To learn more about Abbott's sustainability efforts, please visit www.abbott.com/citizenship.

PEER GROUP

Our investors compare us to other global multinational companies, not necessarily in healthcare. These companies share similar characteristics that are aligned with our investment identity of diversified growth and returns to shareholders.

Therefore, our peer group was selected to strike the appropriate balance between size (both revenues and market capitalization), similar return profiles, geographic breadth, and management and operating structure. The peer group purposely includes companies that are outside the healthcare industry.

After the separation with AbbVie on January 1, 2013, the peer group excludes companies that focus primarily on proprietary pharmaceuticals. It also excludes companies whose revenues are predominantly derived from the U.S. as well as small non-diverse healthcare companies. Our investors tell us that these companies are not viable peers.

In selecting our peer group for performance and compensation benchmarking, we considered:

- Globally diverse manufacturing-driven organizations with significant international operations

- Consumer-facing organizations

- Similar financial and operating measures, including market capitalization, revenue, and number of employees

- Similar return of cash profiles, including dividends and share repurchases

- Similar geographic mix of revenues and profits

3M Company	E. I. du Pont	Johnson & Johnson	Procter & Gamble
Baxter International	Eaton	Kimberly-Clark	Thermo Fisher Scientific
Caterpillar	Emerson Electric	McDonald's	United Technologies
Coca-Cola	Honeywell International	Medtronic	

Danaher	Illinois Tool Works	Novartis

See pages 30 through 32 for additional details on our peer group, especially in regard to the treatment of our peer group by Institutional Shareholder Services.

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RELATIVE PERFORMANCE

In 2015, Abbott achieved another strong year of financial results and returns. Operational sales, which excludes the impact of foreign exchange, increased 9.1% and adjusted diluted earnings per share (EPS), excluding specified items, increased 8.6% vs. 2014, notably outpacing our peer group averages.

Abbott also continued to deliver strong total shareholder return (TSR) relative to its peer group with 5-year performance ranked at the 83rd percentile.

See Annex I for a reconciliation of GAAP and non-GAAP financial measures.

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EXECUTIVE COMPENSATION HIGHLIGHTS

In 2015, we received 96% shareholder support for our annual advisory vote on "Say on Pay" demonstrating strong support for our approach to executive compensation. We continue to evolve our compensation program based upon feedback we receive during our ongoing shareholder outreach, as well as continual review of market practices. We implemented the following features to strengthen the alignment between the interests of our executive officers and shareholders.

RECENT EXECUTIVE COMPENSATION CHANGES

Increased the ROE target for vesting of performance shares granted in 2015 (with further increase for performance shares granted in 2016)	Revised long-term incentive measures to reflect sustained performance over a three-year period
Increased director share ownership guidelines	Increased disclosure related to payouts for both annual and long-term incentives
Revised annual cash incentive plan goals and scoring methodology	Implemented a hedging policy and a pledging policy
	Implemented a strengthened recoupment policy

KEY FEATURES OF OUR EXECUTIVE COMPENSATION PROGRAM

The compensation program for our executive officers includes key features that align the interests of our executive officers with our business strategies and goals, as well as the interests of our shareholders. The program does not include features that could misalign these interests.

What We Do	What We Don't Do
Use three performance hurdles to determine long-term incentive awards 1) 1-, 3-, and 5-year relative TSR determine award guidelines 2) Individual performance determines percentage of guideline awarded to officer 3) The ROE target determines award vesting	No tax gross-ups under our executive officer pay program
Benchmark peers with investment profile, operating characteristics, and employment and business markets similar to Abbott	No change in control agreement for the Chief Executive Officer
Align annual incentive payouts to drivers of shareholder value (growth, EPS, etc.)	No employment contracts
Provide change in control benefits under double-trigger circumstances only	No repricing of stock options
Include forfeiture for misconduct provision in equity grants	No guaranteed bonuses

and recoup compensation when warranted

Require significant share ownership for officers and directors	No discounted stock options
Require retention of vested long-term incentive awards until share ownership guidelines are met	No hedging of Abbott shares
Apply pledging policy for Abbott shares	No highly leveraged incentive plans that encourage excessive risk taking
Cap incentive award payments	No immediate vesting of stock options or restricted stock

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COMPENSATION DECISIONS FOR 2015 NEO PROXY DISCLOSURES

Compensation for named executive officers (NEO) is determined by the Compensation Committee based on Company performance relative to our peer group, officer performance relative to goals, and compensation levels relative to our peer group. Over 80% of our NEO compensation is based on performance. The compensation decisions reflected in this proxy summary are detailed in the Compensation Discussion and Analysis (CD&A) section of the proxy statement. In summary, the Committee decided to:

- Pay executive officers 2015 annual incentives ranging from 54% to 121% of target, with an average of 89% of target.

- Grant executive officer long-term incentive (LTI) awards in February 2015 ranging from 90% to 125% of guideline, with an average of 104% of guideline.

OVERVIEW OF CHANGES TO INCENTIVE PROCESSES

During 2015, we made several changes to our incentive processes in response to shareholder feedback received after the LTI awards described in this proxy statement were granted. While we are not required to disclose the updates to our LTI process until our 2017 proxy statement, we have included the changes to both our short-term and our long-term incentive process in this proxy statement to illustrate our responsiveness to our shareholders' feedback. The details of these changes are shown in the CD&A and summarized below.

Annual Incentive for 2015, paid in February 2016 and shown in this proxy statement

The annual incentive plan was revised to:

- Add a funding trigger of earnings per share (EPS). The EPS goal must be achieved in order for officers to receive a payout from the plan.

- Evaluate officers against four specific, documented criteria (Sales Growth, Financial Return, Strategic Initiatives, and Leadership). The weightings for the criteria vary based on each executive's role.

Additional details can be found on pages 32 and 33.

Preview of February 2016 LTI Grants, required to be included in our 2017 proxy statement

As in prior years, LTI guidelines were set based upon Abbott's 1-, 3-, and 5-year TSR relative to its peers. These guidelines were then adjusted based upon individual officer performance, as in the past.

For the 2016 grants, the individual officer assessment focused on rewarding sustained performance over a three-year period (2013-2015) by scoring each officer's achievements in three categories (Sales and Market Share Growth, Margin Contribution, and Strategic Milestones) for those three years. With these changes, our LTI plan uses different measures and different measurement periods than those used for our annual incentive plan. These changes were made based on feedback from our shareholders.

Additional details can be found on page 35.

VOTE RECOMMENDATIONS

Item	Matter	Board Recommendation	Page Reference (for more information)
Item 1	Election of 11 Directors	**FOR All Nominees**	13

Item 2	Ratification of Ernst & Young LLP as Auditors	**FOR**	61
Item 3	Say on Pay An Advisory Vote on the Approval of Executive Compensation	**FOR**	63

INFORMATION ABOUT THE ANNUAL MEETING

Who Can Vote

Shareholders of record at the close of business on March 2, 2016 will be entitled to notice of and to vote at the Annual Meeting. As of January 31, 2016, Abbott had 1,473,241,861 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.

Notice and Access

In accordance with the Securities and Exchange Commission's "Notice and Access" rules, Abbott mailed a Notice of Internet Availability of Proxy Materials (the "Notice") to certain shareholders in mid-March of 2016. The Notice describes the matters to be considered at the Annual Meeting and how the shareholders can access the proxy materials online. It also provides instructions on how those shareholders can vote their shares. If you received the Notice, you will not receive a print version of the proxy materials, unless you request one. If you would like to receive a print version of the proxy materials, free of charge, please follow the instructions on the Notice.

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. Shareholders may not cumulate their votes against a nominee. If shares are voted cumulatively and there are more nominees than there are director vacancies, 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. Abbott's By-Laws 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 can be found with your proxy card or on the Notice.

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 covered by proxies they receive to elect the 11 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 11 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 in their sole discretion 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. The proxy holders may not cast your vote for any nominee from whom you have withheld authority to vote.

Where a shareholder has specified a choice for or against the ratification of the appointment of Ernst & Young LLP as auditors or the advisory vote on the approval of executive compensation 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 Ernst & Young LLP as auditors and FOR the approval of executive compensation.

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 Withhold Votes, Broker Non-Votes, and Abstentions

Shares represented by proxies which are present and entitled to vote on a matter but which have elected to withhold authority to vote for one or more directors or to abstain from voting on another matter will have the effect of votes against those directors or that matter. 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 shares. 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 and the advisory vote on the approval of executive compensation are "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.

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 voting instructions 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 The Northern Trust Company. The members of the Investment Committee are Stephen R. Fussell, Karen M. Peterson, and Brian P. Wentworth, 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.

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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.

Householding of Proxy Materials

Shareholders sharing an address may receive only one copy of the proxy materials or the Notice of Internet Availability of Proxy Materials, unless their broker, bank, or other intermediary has received contrary instructions from any shareholder at that address. This is known as "householding." Shareholders wishing to discontinue householding and receive separate copies of the proxy materials or the Notice of Internet Availability of Proxy Materials should notify their broker, bank, or other intermediary.

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NOMINEES FOR ELECTION AS DIRECTORS

ROBERT J. ALPERN, M.D.
Director since 2008 Age 65
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. Dr. Alpern also serves as a Director of AbbVie Inc. and 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 on the Board of Yale New Haven Hospital, Dr. Alpern contributes valuable insights to the Board through his medical and scientific expertise and his knowledge of the health care environment and the scientific nature of Abbott's key research and development initiatives.

ROXANNE S. AUSTIN
Director since 2000 Age 55
President and Chief Executive Officer, Austin
Investment Advisors, Newport Coast, California
(Private Investment and Consulting Firm)

Ms. Austin is President and Chief Executive Officer of Austin Investment Advisors, a private investment and consulting firm, a position she has held since 2004. From July 2009 through July 2010, Ms. Austin also served as the President and Chief Executive Officer of Move Networks, Inc., a provider of Internet television services. Ms. Austin served as President and Chief Operating Officer of DIRECTV, Inc. Ms. Austin also previously served as Executive Vice President and Chief Financial Officer of Hughes Electronics Corporation and as a partner of Deloitte & Touche LLP. Ms. Austin is also a Director of AbbVie Inc., Target Corporation, Teledyne Technologies, Inc., and Telefonaktiebolaget LM Ericsson. Ms. Austin is not standing for election at Ericsson's annual general meeting in April 2016.

Through her extensive management and operating roles, including her financial roles, Ms. Austin contributes significant oversight and leadership experience, including financial expertise and knowledge of financial statements, corporate finance and accounting matters.

SALLY E. BLOUNT, PH.D.
Director since 2011 Age 54
Dean of the J.L. Kellogg Graduate School of Management and the Michael L. Nemmers Professor of Management and Organizations at Northwestern University, Evanston, Illinois

Ms. Blount has served as Dean of the J.L. Kellogg Graduate School of Management and the Michael L. Nemmers Professor of Management and Organizations at Northwestern University since July 2010. From 2004 to 2010, she served as the Vice Dean and Dean of the undergraduate college of New York University's Leonard N. Stern School of Business. Ms. Blount joined the faculty of New York University's Leonard N. Stern School of Business in 2001 and was the Abraham L. Gitlow Professor of Management and Organizations. Prior to joining NYU in 2001, Ms. Blount held academic posts at the University of Chicago's Graduate School of Business from 1992 to 2001.

As Dean of the J.L. Kellogg Graduate School of Management at Northwestern University and as the Vice Dean and Dean of the undergraduate college of New York University's Leonard N. Stern School of Business, Ms. Blount provides Abbott's Board with expertise on business organization, governance and business management matters.

W. JAMES FARRELL
Director since 2006 Age 73
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. Mr. Farrell also served on the Board of Directors of 3M Company from 2006 to 2014, Allstate Insurance Company from 1999 to 2013, and UAL Corporation from 2001 to 2012.

As a result of his tenure as Chairman and Chief Executive Officer of Illinois Tool Works, Mr. Farrell brings valuable business, leadership and management experience to the Board and provides guidance on key matters relevant to a major international company.

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EDWARD M. LIDDY
Director since 2010 Age 70
Retired Chairman & CEO, The Allstate Corporation,
Northbrook, Illinois (Insurance Company)

Mr. Liddy served as a partner in the private equity investment firm Clayton, Dubilier & Rice, LLC from January 2010 to December 2015. At the request of the Secretary of the U.S. Department of Treasury, Mr. Liddy served as Interim Chairman and Chief Executive Officer of American International Group, Inc., a global insurance and financial services holding company, from September 2008 until August 2009. 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 AbbVie Inc., 3M Company, and The Boeing Company.

Through his executive leadership at Allstate and American International Group, and his board service at several Fortune 100 companies across a broad range of industries, Mr. Liddy provides valuable insights on corporate strategy, risk management, corporate governance and many other issues facing large, global enterprises. Additionally, as a former chief financial officer, audit committee chair at Goldman Sachs and 3M Company, and partner at Clayton, Dubilier & Rice, LLC, Mr. Liddy provides significant knowledge and understanding of corporate finance, capital markets, financial reporting and accounting matters.

NANCY MCKINSTRY
Director since 2011 Age 57
Chief Executive Officer and Chairman of the
Executive Board of Wolters
Kluwer N.V., Alphen aan den Rijn, the Netherlands
(Global Information,
Software, and Services Provider)

Ms. McKinstry has been the Chief Executive Officer and Chairman of the Executive Board of Wolters Kluwer N.V. since September 2003 and a member of its Executive Board since June 2001. Ms. McKinstry also serves on the Advisory Board of the University of Rhode Island, the Board of Overseers of Columbia Business School, the Advisory Board of the Harrington School of Communication and Media, and the Board of Directors of Russell Reynolds Associates. Ms. McKinstry is also a member of the European Round Table of Industrialists. Ms. McKinstry served on the Board of Directors of Telefonieaktiebolaget LM Ericsson (LM Ericsson Telephone Company) from 2004 to 2012. Ms. McKinstry also served on the Board of Directors of MortgageIT Holdings, Inc. from 2004 to 2007.

As the Chief Executive Officer and Chairman of the Executive Board of Wolters Kluwer N.V., Ms. McKinstry contributes global perspectives and management experience, including an understanding of key issues facing a multinational business such as Abbott's.

PHEBE N. NOVAKOVIC
Director since 2010 Age 58
Chairman and Chief Executive Officer, General Dynamics Corporation, Falls Church, Virginia (Worldwide Defense, Aerospace, and Other Technology Products Manufacturer)

Ms. Novakovic has been Chairman and Chief Executive Officer of General Dynamics Corporation since January 1, 2013. Previously, she served as President and Chief Operating Officer from May 2012 to December 2012 and as Executive Vice President, Marine Systems of General Dynamics from May 2010 to May 2012. 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 a member of the Board of Directors and Chief Executive Officer of General Dynamics Corporation, Ms. Novakovic has strong management experience with a major public company, including significant marketing, operational and manufacturing experience, and contributes valuable insights into finance and capital markets. Her tenure with the Office of Management and Budget and as Special Assistant to the Secretary and Deputy Secretary of Defense enables her to provide government perspective and experience in a highly regulated industry.

WILLIAM A. OSBORN
Director since 2008 Age 68
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. and General Dynamics Corporation. He is Chairman of the Board of Trustees of Northwestern University. Mr. Osborn served on the Board of Directors of Nicor, Inc. from 1999 to 2006 and on the Board of Directors of Tribune Company from 2001 to 2012.

As the Chairman and Chief Executive Officer of Northern Trust Corporation and The Northern Trust Company, Mr. Osborn acquired broad experience in successfully overseeing complex global businesses operating in highly regulated industries.

SAMUEL C. SCOTT III

Director since 2007 Age 71

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. He served as Chairman, President, and Chief Executive Officer from February 2001 until he retired in May of 2009. He was President and Chief Operating Officer from January 1998 until February 2001. 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 and Motorola Solutions, Inc.

As the Chairman, President and Chief Executive Officer of Corn Products International, Mr. Scott acquired valuable business, leadership and management experience, including critical insights into matters relevant to a major public company and experience in finance and capital markets matters.

GLENN F. TILTON

Director since 2007 Age 67

Retired Chairman of the Midwest, JPMorgan Chase & Co., Chicago, Illinois (Banking and Financial Services Company)

Mr. Tilton served as Chairman of the Midwest for JPMorgan Chase & Co. and a member of its companywide Executive Committee from June 2011 to June 2014. From October 2010 to December 2012, Mr. Tilton also served as the Non-Executive Chairman of the Board of United Continental Holdings, Inc. From September 2002 to October 2010, he served as Chairman, President and Chief Executive Officer of UAL Corporation, a holding company, and Chairman and Chief Executive Officer of United Air Lines, Inc., an air transportation company and wholly owned subsidiary of UAL Corporation. Mr. Tilton is also a Director of AbbVie Inc. and Phillips 66. Mr. Tilton also served on the Board of Directors of Lincoln National Corporation from 2002 to 2007, of TXU Corporation from 2005 to 2007, of Corning Incorporated from 2010 to 2012, and of United Continental Holdings, Inc. from 2001 to 2013.

Having previously served as Chairman of the Midwest for JPMorgan Chase & Co., Non-Executive Chairman of the Board of United Continental Holdings, Inc., Chairman, President, and Chief Executive Officer of UAL Corporation and United Air Lines, Vice Chairman of Chevron Texaco, and as Interim Chairman of Dynegy, Inc., Mr. Tilton acquired strong management experience overseeing complex multinational businesses operating in highly regulated industries, as well as expertise in finance and capital markets matters.

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MILES D. WHITE
Director since 1998 Age 61
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. He joined Abbott in 1984. He currently serves as a Director of Caterpillar Inc. and McDonald's Corporation.

Serving as Abbott's Chairman of the Board and Chief Executive Officer since 1999 and having joined Abbott in 1984, Mr. White contributes not only his valuable business, management and leadership experience, but also his extensive knowledge of the Company and its global operations, as well as key insights into strategic, management and operation matters, ensuring the appropriate level of oversight and responsibility is applied to all Board decisions.

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THE BOARD OF DIRECTORS AND ITS COMMITTEES

THE BOARD OF DIRECTORS

The Board of Directors held six meetings in 2015. The average attendance of all directors at Board and committee meetings in 2015 was ninety-seven percent and each director attended at least seventy-five percent of the total number of Board meetings and meetings of the committees on which he or she served. 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, S. E. Blount, W. J. Farrell, E. M. Liddy, N. McKinstry, P. N. Novakovic, W. A. Osborn, S. C. Scott III, 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.

LEADERSHIP STRUCTURE

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.

Chairman/Chief Executive Officer

- Coherent leadership and direction for the Board and executive management
- Clear accountability and a single focus for the chain of command to execute our strategic initiatives and business plans
- CEO's extensive industry expertise, leadership experience, and familiarity with our business
- By leading management and chairing the Board, we benefit from our CEO's strategic and operational insights, enabling a focused vision encompassing the full range, from long-term strategic direction and day-to-day execution

Lead Independent Director

- Currently, the Chairman of the Nominations and Governance Committee acts as the lead director
- Chosen by and from the independent members of the Board of Directors, and serves as the liaison between the Chairman of the Board and the independent directors
- Facilitates 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
- Reviews and approves matters, such as agenda items, schedule sufficiency, and, where appropriate, information provided to

other Board members

Has the authority to call meetings of the independent directors and, if requested by major shareholders, ensures that he or she is available for consultation and direct communication

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

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DIRECTOR SELECTION

The Nominations and Governance 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. The process used by the Nominations and Governance 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.

Abbott's outline of directorship qualifications, which as part of Abbott's corporate governance guidelines, is available in the corporate governance section of Abbott's investor relations website (*www.abbottinvestor.com*). These qualifications describe specific characteristics that the Nominations and Governance Committee and the Board take into consideration when selecting nominees for the Board, such as: strong management experience and senior level experience in medicine, hospital administration, medical and scientific research and development, finance, international business, government, and academic administration. An individual nominee is not required to satisfy all the characteristics listed in the outline of directorship qualifications and there is no requirement that all such characteristics be represented on the Board.

In addition, Board members should have backgrounds that, when combined, provide a portfolio of experience and knowledge that will serve Abbott's governance and strategic needs. 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. 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 13 through 18.

A description of the procedure for the recommendation and nomination of directors, including by proxy access, is on page 67.

BOARD DIVERSITY AND COMPOSITION

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 relevant experience, areas of expertise, ethnicity, gender, and geography and assesses the effectiveness of the process in achieving that diversity. Currently, 50% of the independent directors are women or minorities.

The process used to identify and select nominees has resulted in an experienced, diverse, and well-rounded Board of Directors that possesses the skills and perspectives necessary for its oversight role. All of Abbott's directors exhibit:

Global business perspective	Successful track record	Innovative thinking
Knowledge of corporate governance requirements and practices	High integrity	Commitment to good corporate citizenship

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The following table details some of the attributes, skills, and experience represented on Abbott's Board of Directors.

Abbott Business Characteristic	Board Attributes, Skills, and Experience
A Broad and Diverse Company with Different Healthcare Businesses	Senior Leadership Experience with Diverse Business Models
	Financial Literacy
A Multinational Company	Experience as a Director or Senior Officer of a Multinational Corporation
	Global Perspective
A Consumer-facing Company	Academic and Senior Management Leadership Consumer Product Experience
	Senior Leadership Experience with Diverse Business Models
Financial Expertise and Risk Management	Financial Literacy
	Public Company Financial Experience
Regulated Industry	Senior Leadership Experience in Regulated Industries
	Senior Level Government Experience
Corporate Governance	Senior Leadership Experience
	Financial Literacy

Experience with Diverse Business Models

Other Abbott Independent Director Metrics

Our independent directors bring a balance of relevant skills, experience, and perspective.

Tenure	
5 or fewer years of service	**2**
More than 5 and less than 10 years of service	**6**
10 or more years of service	**2**

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COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has five committees established in Abbott's By-Laws: Audit Committee, Compensation Committee, Nominations and Governance Committee, Public Policy Committee, and Executive Committee. Each of the members of the Audit Committee, Compensation Committee, Nominations and Governance Committee, and Public Policy Committee is independent.

Current Members	Audit*	Compensation	Nominations and Governance	Public Policy	Executive
R. J. Alpern					
R. S. Austin					
S. E. Blount					
W. J. Farrell					
E. M. Liddy					
N. McKinstry					
P. N. Novakovic					
W. A. Osborn					
S. C. Scott III					
G. F. Tilton					
M. D. White					
Total Meetings Held in 2015	8	4	4	4	0

* Each of the committee members is financially literate, as is required of audit committee members by the New York Stock Exchange. The Board of Directors has determined that Roxanne S. Austin, the Audit Committee's Chair, is an "audit committee financial expert."

Audit Committee

The Audit 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. The Committee is governed by a written charter. A copy of the report of the Audit Committee is on page 62.

Compensation Committee

The Compensation 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 Committee is governed by a written charter. The Compensation Committee annually reviews the compensation paid to the members of the Board and gives its recommendations to the full 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.

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 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."

The Compensation Committee has the sole authority, under its charter, to select, retain, and/or terminate independent compensation advisors. The Committee engaged Meridian as its compensation consultant for 2015. Meridian performs no other work for Abbott. The Committee engages compensation consultants to provide counsel and advice on executive and non-employee director compensation matters. The consultant 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 the consultant 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 the consultant for these services. Based on its evaluation of Meridian's independence in accordance with the New York Stock Exchange listing standards and information provided by Meridian, the Committee determined that the work performed by Meridian does not present any conflicts of interest. A copy of the Compensation Committee report is on page 41.

Nominations and Governance Committee

The Nominations and Governance 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 people 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 Committee is governed by a written charter. 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. The process used by the Committee to identify nominees is described on page 20 in the section captioned, "Director Selection."

Public Policy Committee

The Public Policy 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. The Committee is governed by a written charter.

Executive Committee

The Executive Committee may exercise all the authority of the Board in the management of Abbott, except for matters expressly reserved by law for Board action.

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 website (*www.abbottinvestor.com*).

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2015 DIRECTOR COMPENSATION

Our CEO is not compensated for serving on the Board or Board committees. Abbott's remaining directors, who are all 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' 2015 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	$ 126,000	$ 134,916	$ 0	$ 16,328	$ 4,785	$ 282,029
R. S. Austin	144,000	134,916	0	0	0	278,916
S. E. Blount	126,000	134,916	0	2,732	21,000	284,648
W. J. Farrell	138,000	134,916	0	32,039	0	304,955
E. M. Liddy	132,000	134,916	0	0	0	266,916
N. McKinstry	132,000	134,916	0	0	20,000	286,916
P. N. Novakovic	138,000	134,916	0	0	0	272,916
W. A. Osborn	138,000	134,916	0	0	0	272,916
S. C. Scott III	132,000	134,916	0	0	25,000	291,916
G. F. Tilton	132,000	134,916	0	0	15,000	281,916

(1) Under the Abbott Laboratories Non-Employee Directors' Fee Plan, non-employee directors earn $10,500 for each month of service as a director and $1,000 for each month of service as a chairman of a Board committee (other than the Audit Committee). For each month of service on the Audit Committee, the Chairman receives $1,500 and the other Audit Committee members receive $500. Effective as of May 1, 2016, the Board committee chairman monthly fees will be $2,083.33 for the Audit Committee Chairman, $1,666.66 for the Compensation Committee Chairman, $1,250.00 for the Public Policy Committee Chairman, and $1,250.00 for the chairman of any other Board committee; in addition, the lead director will earn $2,500 for each month of such service and will not receive a fee for service as Nomination and Governance Committee Chairman. 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, if later. The director may elect to have deferred fees and fees deposited in trust credited to either a guaranteed interest account 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 common stock at year-end.

(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 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, each non-employee director elected to the Board of Directors at the annual shareholders meeting receives vested restricted stock units having a value of $135,000 (rounded down) under the Abbott Laboratories 2009 Incentive Stock Program (effective as of the 2016 Annual Meeting, this will increase to $150,000 (rounded down)). In 2015, this was 2,793 units. The non-employee directors receive cash payments equal to the dividends paid on the 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 share of common stock for each restricted stock unit outstanding under the Incentive Stock Program. The following Abbott restricted stock units were outstanding as of December 31, 2015: R. J. Alpern, 17,984; R. S. Austin, 25,647; S. E. Blount, 11,244; W. J. Farrell, 23,758; E. M. Liddy, 13,411; N. McKinstry, 11,244; P. N. Novakovic, 13,411; W. A. Osborn, 19,901; S. C. Scott III, 21,631; and G. F. Tilton, 21,631.

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(3) The following options were outstanding as of December 31, 2015: N. McKinstry, 6,280; and P. N. Novakovic, 44,300.

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

(5) Charitable contributions made by Abbott's non-employee directors are eligible for a matching contribution (up to $25,000 annually). The amounts reported in this column include charitable matching grant contributions, as follows: R. J. Alpern, $4,785; S. E. Blount, $21,000; N. McKinstry, $20,000; S. C. Scott III, $25,000; and G. F. Tilton, $15,000.

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SECURITY OWNERSHIP OF EXECUTIVE OFFICERS AND DIRECTORS

The table below reflects the number of Abbott common shares beneficially owned as of January 31, 2016, by each director, the Chief Executive Officer, the Chief Financial Officers in 2015, 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 held by non-employee directors under the Abbott Laboratories Non-Employee Directors' Fee Plan and restricted stock units held by non-employee directors and executive officers.

Name	Shares Beneficially Owned(1)(2)	Stock Options Exercisable Within 60 Days of January 31, 2016(3)	Stock Equivalent Units
R. J. Alpern	17,984	0	4,990
R. S. Austin	32,491	0	0
B. J. Blaser	102,194	434,996	0
S. E. Blount	11,244	0	0
J. M. Capek	238,090	628,617	0
W. J. Farrell	24,758	0	0
T. C. Freyman	508,249	1,100,304	0
E. M. Liddy	14,546	0	16,385
N. McKinstry	11,244	6,280	0
P. N. Novakovic	13,911	44,300	0
W. A. Osborn	43,901	0	22,621
S. C. Scott III	27,631	0	6,578
G. F. Tilton	28,981	0	24,413
M. J. Warmuth	74,770	524,240	0
M. D. White	1,440,774	4,074,677	0
B. B. Yoor	31,806	46,718	0
All directors and executive officers as a group(4)(5)	3,787,752	9,318,210	74,987

(1) This column includes shares held in the officers' accounts in the Abbott Laboratories Stock Retirement Trust as follows: T. C. Freyman, 1,115; M. D. White, 28,971; B. B. Yoor, 2,064; and all executive officers as a group, 52,921. Each officer has shared voting power and sole investment power with respect to the shares held in his or her account.

(2) This column includes restricted stock units held by the non-employee directors and payable in stock upon their retirement from the Board as follows: R. J. Alpern, 17,984; R. S. Austin, 25,647; S. E. Blount, 11,244; W. J. Farrell, 23,758; E. M. Liddy, 13,411; N. McKinstry, 11,244; P. N. Novakovic, 13,411; W. A. Osborn, 19,901; S. C. Scott III, 21,631; G. F. Tilton, 21,631; and all directors as a group, 179,862.

(3) This column includes restricted stock units held by officers that will be payable in stock within 60 days of January 31, 2016, as follows: M. J. Warmuth, 24,033; and all executive officers as a group, 54,848.

(4) Certain executive officers of Abbott are fiduciaries of several employee benefit trusts maintained by Abbott. As such, they have shared voting and/or investment power with respect to the common shares held by those trusts. The table does not include the shares held by the trusts. As of January 31, 2016, these trusts owned a total of 33,507,155 (2.3%) of the outstanding shares of Abbott.

None of the directors, named officers, or executive officers has pledged shares.

(5) Excluding the shared voting and/or investment power over the shares held by the trusts described in footnote 4, the directors and executive officers as a group together own beneficially less than one percent of the outstanding shares of Abbott.

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EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

INTRODUCTION

This Compensation Discussion and Analysis (CD&A) describes Abbott's executive compensation program in 2015. Since the long-term incentive (LTI) shown in this CD&A reflects awards granted in February 2015, we also will preview changes made to our 2016 LTI process in response to shareholder feedback on page 35.

In particular, this CD&A explains how the Compensation Committee (the Committee) and Board of Directors made its compensation decisions for the Company's executives, including the six named officers: Miles D. White, Chairman of the Board and Chief Executive Officer; Thomas C. Freyman, Executive Vice President, Finance and Administration (previously also Chief Financial Officer until June 1, 2015); Brian B. Yoor, Senior Vice President, Chief Financial Officer (effective June 1, 2015); Brian J. Blaser, Executive Vice President, Diagnostic Products; John M. Capek, Executive Vice President, Ventures; and Michael J. Warmuth, Executive Vice President, Established Pharmaceuticals.

The CD&A also describes the pay philosophy the Committee has established for the Company's executive officers, the process the Committee utilizes to examine performance in the context of executive pay decisions, the performance goals and results for each named officer, and recent updates to our compensation program.

RELATIVE PERFORMANCE

In 2015, Abbott achieved another strong year of financial results and returns. Operational sales, which excludes the impact of foreign exchange, increased 9.1%, and adjusted diluted earnings per share (EPS), excluding specified items, increased 8.6% vs. 2014, notably outpacing our peer group averages. Abbott also continued to deliver strong total shareholder returns (TSR) relative to its peer group, with 5-year performance ranked at the 83rd percentile.

See Annex I for a reconciliation of GAAP and non-GAAP financial measures.

COMPENSATION PHILOSOPHY AND COMPONENTS OF PAY

Abbott and its Compensation Committee have designed a compensation program to attract and retain executives whose talent and contributions support and advance the profitable growth of the Company and growth in shareholder value. The program is designed to be:

Competitive: While we target competitive total compensation, actual payouts vary based upon Company and individual performance. LTI awards are pegged to the appropriate relative Company performance. Each year, we look at LTI market percentiles between the 10^{th} and the 90^{th} to determine appropriate award levels. Actual pay reflects actual performance relative to peers.

Aligned to our shareholders' interests: Almost two-thirds of our pay is equity-based, directly tying executive returns with shareholder returns.

Performance-based: Other than base salary, which is the smallest component of our executives' compensation, all components of our Total Direct Compensation program (i.e., base salary, annual cash incentive, performance-based restricted stock awards, and stock options) are aligned with Company and/or division performance.

Balanced: Short- and long-term objectives focus our executives on actions that create value today while building for sustainable future success. Our compensation program rewards the achievement of short-term goals and milestones that will accelerate our success over the long-range plan.

TOTAL COMPENSATION MIX

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CHANGES BASED ON SHAREHOLDER FEEDBACK AND MARKET PRACTICES

Last year, 96% of our shareholders approved the compensation of our named executive officers. We reached out to and conducted meetings with investors representing more than 40% of our outstanding shares. In those meetings, we discussed our pay programs broadly, including aspects that were previously subject to shareholder resolutions. Based on shareholder discussions and recommendations, the Committee, during its annual evaluation of the Company's compensation programs and evolving market practices, made several changes to our programs.

RECENT EXECUTIVE COMPENSATION CHANGES

Increased the ROE target for vesting of performance shares granted in 2015
(with further increase for performance shares granted in 2016)

Increased director share ownership guidelines

Revised annual cash incentive plan goals and scoring methodology

Revised long-term incentive measures to reflect sustained performance over a three-year period

Increased disclosure related to payouts for both annual and long-term incentives

Implemented a hedging policy and a pledging policy

Implemented a strengthened recoupment policy

These changes made in 2015 and 2016 continue our practice of evolving our program based upon shareholder feedback as well as a review of market practices. Over the past several years, we have made numerous other changes to our program, including:

- Using three performance assessments to determine the amount of equity awards:
  - Relative TSR (compared to peer companies) Determines, as an aggregate target, where our equity grant guidelines should be positioned relative to the market
  - Individual performance Determines individual officer awards based on equity grant guidelines (grant guideline x individual performance factor)
  - The ROE target Ensures that performance has been sustained before awards vest
- Granting equity awards with double-trigger vesting in the event of a change in control
- Eliminating tax gross-ups in our executive officer pay program
- Engaging a Compensation Committee consultant that performs no other work for Abbott

Adding a share retention requirement which applies until share ownership guidelines are met

Revising executive share ownership guidelines:

Chief Executive Officer 6 times base salary

Executive Vice President/Senior Vice President 3 times base salary

All other officers 2 times base salary

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HOW EXECUTIVE PAY DECISIONS ARE MADE

The Committee makes compensation decisions in the context of the objectives of our program. They ensure the compensation delivered to our executives is competitive, based on performance, balanced between the short- and long-term, and aligned with shareholder interests.

BENCHMARKING USING PEER COMPANIES

To determine the competitiveness of our compensation and benefit programs, the Committee, in consultation with its independent consultant, annually compares the level of compensation, market pay practices, and our relative performance to those of peer companies.

Our shareholders compare us to other global multinational companies, not necessarily in healthcare. These companies share similar characteristics aligned with our investment identity of diversified growth and returns to shareholders.

Therefore, our peer group was selected to strike the appropriate balance between size (both revenues and market capitalization), similar return profiles, geographic breadth, and management and operating structure. The peer group purposely includes companies that are outside the healthcare industry.

After the separation with AbbVie, the peer group excludes companies that focus primarily on proprietary pharmaceuticals. It also excludes companies whose revenues are predominantly derived from the U.S. as well as small non-diverse healthcare companies. Our investors tell us that these companies are not viable peers.

In selecting our peer group for performance and compensation benchmarking, we considered:

- Globally diverse manufacturing-driven organizations with significant international operations
- Consumer-facing organizations
- Similar financial and operating measures, including market capitalization, revenue, and number of employees
- Similar return of cash profiles, including dividends and share repurchases
- Similar geographic mix of revenues and profits

As it pertains to healthcare peers, Johnson & Johnson most closely reflects our diversified growth and income identity, as well as the lines of business in which we operate. Other healthcare companies in our peer group reflect major lines of our business and/or compete directly with Abbott in specific businesses or product areas, while also reflecting our financial and operating scale.

Although Standard & Poor's has assigned Abbott to the General Industry Classification Standard of "Health Care Equipment," this classification does not accurately describe Abbott or our peers:

- Less than 50% of our sales are generated by healthcare equipment products;
- Approximately 50% of our sales are generated by nutritional and pharmaceutical products; and
- Approximately 50% of our sales are direct to consumers and patients. Therefore, our peer group includes consumer and household product companies: Procter & Gamble, Kimberly-Clark, Coca-Cola, and McDonald's.

Our peer group also includes companies that reflect the breadth of our international operations. **We currently generate approximately 70% of our revenues internationally**.

In partnership with the Committee's independent consultant and other consultants, this particular set of peer companies was determined shortly after the separation of AbbVie in 2013 to reflect the nature of our business going forward. In 2015, the Committee reviewed with its consultant and reaffirmed that these companies (after removing Covidien, which was acquired by Medtronic in 2015) continue to represent an appropriate peer group. This group has been overwhelmingly supported by our investors during shareholder outreach.

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Given that there had been no significant relative change in Abbott's revenue size or market capitalization, the positive feedback we had received from investors, and the Committee's strong opinion that stability in a peer group is important, the Committee and its consultant determined that the only change to the peer group would be the removal of Covidien (which was acquired by Medtronic in 2015).

This updated group is summarized below, showing the primary characteristics for which each company was selected.

Company Name	**Sales/Rev.(billions)**	**Market Cap[1] (billions)**	**% Rev. Outside U.S.**	**Similar # Employees**	**Health Care-Related**	**Mfg. Driven/ Consumer-Facing**	**Similar Operating Characteristics**
3M Company	$30.3	$92.8	ü	ü	ü	ü	ü
Baxter International Inc.	$11.8	$20.9	ü	ü	ü	ü	ü
Caterpillar, Inc.	$47.0	$39.6	ü	ü		ü	ü
The Coca-Cola Company	$45.2	$186.5	ü	ü		ü	ü
Danaher Corporation	$20.6	$63.6	ü	ü	ü	ü	ü
E. I. du Pont de Nemours	$25.2	$58.4	ü	ü		ü	ü
Eaton Corporation	$21.4	$24.1	ü	ü		ü	ü
Emerson Electric Co.	$22.3	$31.3	ü	ü		ü	ü
Honeywell International Inc.	$38.9	$79.8	ü	ü		ü	ü
Illinois Tool Works Inc.	$13.4	$33.7	ü	ü		ü	ü
Johnson & Johnson	$70.1	$284.3	ü	ü	ü	ü	ü
Kimberly-Clark Corporation	$18.6	$46.2	ü	ü	ü	ü	ü
McDonald's Corporation	$25.4	$108.5	ü			ü	ü
Medtronic, Inc.	$26.0	$108.2	ü	ü	ü	ü	ü
Novartis AG	$50.2	$206.1	ü	ü	ü	ü	ü
Procter & Gamble Co.	$69.4	$216.0	ü	ü	ü	ü	ü
Thermo Fisher Scientific, Inc.	$17.0	$56.6	ü	ü	ü	ü	ü
United Technologies Corporation	$56.1	$85.2	ü			ü	ü
Peer Group Median	**$25.7**	**$71.7**	**Peer group approximates Abbott in market cap and sales**				
Abbott	**$20.4**	**$67.0**	ü	ü	ü	ü	ü

(1) Data source: S&P's Capital IQ database reflects most recently disclosed (as of January 29, 2016) trailing 12-month sales/revenue. The market cap reflects values on December 31, 2015.

Institutional Shareholder Services (ISS) Analysis

The Company has not changed materially since the separation of AbbVie. We have maintained the same peer group since separation, yet ISS has significantly changed the peer group used in their analysis each year in the three years since the separation.

For their 2014 analysis, ISS selected a peer group which closely matched our own. They selected 16 peers, 13 of which were consistent with the peer group selected by our Compensation Committee.

Conversely, for their 2015 analysis, ISS chose to make significant changes to the peer group it used to analyze Abbott's pay and performance. ISS removed five (including Johnson & Johnson, our most relevant peer) of the 16 peers they used in their 2014 analysis, and added two new peers (Raytheon, a government contractor with little revenue outside the U.S., and Merck, a proprietary pharmaceutical company which was part of our peer group prior to the AbbVie separation but which is not an appropriate peer for the Abbott of 2015).

Whereas the 2014 analysis included 13 of the 19 peers used by our Compensation Committee to make decisions, the 2015 analysis reflected only 9. Therefore, ISS' analysis evolved to rely on only 47% of our own peers, making it extremely unlikely that the ISS assessment would align with our Committee's assessment.

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Such frequent and cumulative year-to-year changes in the ISS peer group prevent reasonable year-over-year comparisons. In addition, change of this magnitude inherently corrupts an analysis that is based upon relative measures (which ISS' Relative Degree of Alignment metric is). While we do not yet know ISS' final 2016 peer group, even without change, this group bears little resemblance to the original peers. This could create the impression that Abbott's pay and performance are not aligned simply due to the frequent change of peers and inclusion of "peers" that were intentionally excluded by Abbott.

We have shared these concerns with ISS and have asked them to reconsider this approach.

FIXED PAY BASE SALARY

Base salary targets are set using the median of the peer group as an initial benchmark. Specific pay rates are based on an executive's performance, experience, unique skills, and internal equity with others at Abbott. Base salaries range from the 10th to the 90th percentile, depending on experience, expertise, unique role requirements, and tenure, with an average of the 52nd percentile, or essentially at the market median. Once the rate of pay is set at the time of hire or upon promotion, subsequent changes in pay, including salary increases, are based on the executive's performance, the job he or she is performing, internal equity, and the Company's operating budget.

PERFORMANCE-BASED PAY

Abbott's primary performance-based compensation programs for executive officers are the annual cash incentive plan and the long-term incentive plan. These plans are described in more detail on the following pages. **It is important to note that the annual and long-term incentive performance measures differ both in terms of the measures and the period over which results are assessed**. However, both plans are formula-driven based on specific operating, strategic, and leadership results.

ANNUAL CASH INCENTIVE PLAN (PERFORMANCE INCENTIVE PLAN)

Our annual cash incentive plan is a key part of our officers' total compensation. It rewards executives for achieving specific annual goals at the corporate and divisional levels. It also rewards executives for achieving operational and strategic goals.

During 2015, Abbott's six named officers participated in the 1998 Abbott Laboratories Performance Incentive Plan (PIP), which is designed to comply with the requirements of Section 162(m) of the Internal Revenue Code of 1986 for performance-based compensation.

Each year, the Committee sets the maximum award allocations under the PIP for each named officer as a percentage of consolidated net earnings. For 2015, the maximum award for the Chief Executive Officer was 0.15% of adjusted consolidated net earnings for the fiscal year-end and, for all of the other named officers, 0.075% of adjusted consolidated net earnings. Historically and in 2015, the Committee exercised its discretion to deliver PIP awards that were below the maximum awards that are authorized by these formulas based on achieved performance against annual goals and other factors described below.

Process to Determine Awards

Under the PIP, the Committee sets a target payout (expressed as a percentage of base salary) for each officer based upon market benchmarks and internal equity. The final payout is determined based upon performance relative to annual goals. This process is described below. In 2015, annual incentive payouts for Abbott's executive officers ranged from 54% to 121% of target, with an average of 89% of target.

Step One: Fund Annual Incentive Pool Based on EPS Achievement

In order for the PIP to pay out, the EPS goal (see 2015 Performance Goals for Performance Incentive Plan on page 38) must be achieved. If the EPS goal is not achieved, then the PIP is not funded and there are no payouts.

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Step Two: Assess Individual Performance vs. Goals

Individual goals are finalized at the beginning of each year based upon each executive officer's responsibilities. The weighting of goals depends upon whether the executive is a Business Unit leader or a Corporate leader, as follows:

Sales Growth vs Peers and Plan	30%	10%
Financial Return	25%	40%
Strategic Initiatives	30%	40%
Leadership	15%	10%
Total	100%	100%

Sales Growth Goals To stress the importance of top-line growth, each officer is measured against Abbott's internal targets, which are established to exceed peer group growth rates.

Sales Growth < Market Growth	0%
Sales Growth ≥ Market Growth but < Target	50%
Sales Growth = Target	100%
Sales Growth Significantly > Market and Target	125% or 150%

Sales growth performance required to earn payouts above 100% varies by business to reflect each business's market. **To exceed a target payout in Sales Growth, the business must grow market share, exceeding both peer sales growth rates and Abbott's internal targets**.

Financial Return Goals While top-line growth is important, that growth must be profitable in order to drive value for our shareholders. To stress the importance of profitability, each officer is assessed on relevant return goals, primarily earnings, margin contribution, and cash flow.

Actual Return < Target	0%
Actual Return ≥ Target	100%
Actual Return Significantly > Target	125% or 150%

Financial return performance required to earn payouts above 100% varies by business to reflect each business's market and operating environment.

Strategic Initiative Goals Strategic initiative goals are primarily related to key planned strategic actions, such as portfolio expansion, key R&D milestones, gross margin expansion, and entry into new markets. Strategic goals are set such that fully successful achievement of the goals results in a 100% payout. 100% is the maximum payout and there is no additional upside. Lower levels of achievement result in payouts of 75%, 50%, or 0%.

Leadership Goals Leadership goals are primarily related to talent and succession planning initiatives. These goals are focused on stabilizing business leadership gaps, ensuring businesses have the talent they need to perform in the current period, and building our leadership bench to sustain our performance. Leadership goals are set such that fully successful achievement of the goals results in a 100% payout. 100% is the maximum payout and there is no additional upside. Lower levels of achievement result in payouts of 75%, 50%, or 0%.

The following formula summarizes the PIP payout process, assuming the EPS goal is achieved.

For example:

$525,000	x	90%	x	95%	=	$448,875

This resulted in payouts that ranged from the 13th percentile to the 88th percentile of our peer group market, with an average of the 49th percentile. This average percentile is well below Abbott's 1-year relative TSR performance of the 61st percentile.

LONG-TERM INCENTIVE PLAN (LTI)

Our long-term incentive plan is the largest component of our executive officers' total compensation. As such, we believe it is critical that Company and individual performance, on both an absolute and relative basis, are reflected. The LTI process used in February 2015 (described below) resulted in annual grants to executive officers ranging from the 43rd percentile to the 75th percentile of our peer group, with an average of the 54th percentile. A preview of the process used in February 2016 (which will be disclosed in our 2017 proxy statement) is described on page 35.

Process to Determine Awards in February 2015, Shown in this Proxy Statement

Our process for determining guidelines, individual awards, and vesting of those awards incorporates:

- TSR performance relative to our peers on a one-, three-, and five-year basis
- Absolute performance compared to goals for achieving our long-range plan
- Each officer's performance relative to other officers

This process is more rigorous than automatically granting LTI at the median and adjusting the awards only for relative TSR at the time the awards vest.

We followed a rigorous two-step process in determining awards ultimately received by our executive officers:

Step One: Determine LTI Awards
Step Two: Determine if Options and Shares Vest

<u>Step One: Determine LTI Awards</u>

In order to determine LTI awards, Abbott follows three steps.

Step One (A) Company LTI Award Guidelines Abbott obtains survey data annually to assess the competitive LTI market for our peer group companies for each executive position. Each year, we position our LTI award guidelines relative to the competitive LTI market by comparing Abbott's TSR performance to our peers. Our February 2015 LTI grants (based on 2014 performance and shown in the Summary Compensation Table of this proxy statement) were set at the 50th percentile of the market based on the Compensation Committee's evaluation of one-, three-, and five-year TSR performance through 2014, as shown below.

One Year	89th percentile
Three Year	53rd percentile
Five Year	47th percentile
2015 LTI Award Guideline	50th percentile

The 2015 LTI award guideline reflects an increase from the 37th percentile that was used for the February 2014 grants, based on the Committee's evaluation of TSR performance through 2013.

Step One (B) Determine Individual Officer Awards The recommendation for each officer starts with the Company LTI award guideline (based on relative TSR performance as described above) for the officer's position, as established in Step One (A). Individual officer awards are then further adjusted up or down based upon assessment of:

1) Performance goals, leadership, and sustained performance (Weighted 50%)
2) Long-range Plan Progress e.g., product approvals, R&D milestones, and margin expansion (Weighted 50%)
3) Impact assessment of relative contribution to overall enterprise (Modifier of 10% to +10%)

Awards granted in 2015, based on individual officer performance in 2014, resulted in awards ranging from 90% 125% of guideline award levels, with an average of 104% of guideline.

Step One (C) Convert Individual LTI Award Values to Equity Grants In 2015, to recognize the continued growth focus of Abbott and to directly align the interests of executive officers with the interests of our shareholders, the Compensation Committee granted the long-term incentive awards in the form of 50% stock options and 50% performance-restricted shares. This mix is consistent with the practices of our peer group.

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Step Two Determine if Options and Shares Vest

Stock options vest over three years. Since stock options only accrue value through share price appreciation, the value realized upon the exercise of vested stock options directly aligns the compensation earned with the value shareholders received over the same period of time. Options are also aligned with shareholder value through the impact of relative TSR in determining the size of awards granted (Step One).

Performance-restricted shares vest 1/3 each year that the performance target is achieved. Vesting is absolute either 100% or 0%. There is no partial vesting if the target is missed or additional vesting upside if the Company over-performs. The Committee believes adjusted return on equity (ROE) is the appropriate performance measure for vesting because ROE measures how much profit the Company generates over the long-term with the capital that shareholders have invested.

Although Company TSR performance and individual officer performance are used in Step One to grant the appropriate award level, the focus on ROE for vesting provides a second shareholder protection to ensure our growth and investment return objectives are sustained after the initial grant is made. ROE is only used for vesting; it is not used in the determination of LTI award guidelines or individual officer performance.

For grants made in 2015, the ROE vesting target to determine future vesting was set at 11%, which reflected a 10% increase from the grants made in 2014. For grants made in 2016, the ROE target was increased further to 12%. This increase is consistent with our stated intent to increase our ROE and ROE targets over time.

Changes Made for February 2016 LTI Awards (Preview of 2017 Proxy Statement)

In response to shareholder feedback, we changed our approach to determining individual officer LTI awards in February 2016. Details on the individual awards will appear in our 2017 proxy statement (according to the Securities and Exchange Commission disclosure requirements). However, as transparent and timely disclosures to shareholders are important to us, we describe the revised approach, which was used to determine the February 2016 grants (based on 2015 performance), below.

The most significant revisions were to change the:

1) Measurement period used to assess individual officer performance to three years to better reflect each executive's impact on Abbott's long-term success.

2) Measures used to assess individual officer performance so that completely separate measures are used in the annual and long-term incentive plans.

Our process continues to look at LTI market data for each executive position based upon percentiles 10th, 25th, 40th, 50th, 60th, 75th, and 90th. The Committee examines overall Company performance and sets our LTI award guidelines relative to the market performance by comparing Abbott's TSR performance to our peers. The market data at that percentile level is then used to determine the total award pool. For example, if based on 1-, 3-, and 5-year TSR performance, the Committee determines targeted LTI should be at the 37th percentile (as it did for our 2014 grant), then the 37th percentile market data determines the pool for LTI awards before adjusting for performance, as described below.

The actual grant sizes are then directly linked to individual officer performance. We assess officers in three areas: Sales and Market Share Growth, Margin Contribution, and Strategic Milestones over a three-year period. Each officer is assigned an overall score based on whether they missed, achieved, or exceeded the specific targets in all three measures for all three years. That resulting assessment score determines the LTI performance adjustment, which ranged from 75% to 125% of the guideline, based on measurement of continuation and sustainability of performance.

This new LTI process resulted in annual grants to Abbott executive officers ranging from the 30th percentile to the 68th percentile of our peer group, with an average of the 48th percentile.

Accordingly, this process delivers a more precise calculation of the Company's actual relative performance and a more differentiated range of individual awards within that pool based on each officer's individual contribution to overall results.

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PAY DECISIONS FOR NAMED EXECUTIVE OFFICERS

The following pages highlight the rationale for the pay decisions for each named officer. It is important to note that annual incentive pay decisions were made in early 2016 on the basis of 2015 results. Long-term incentive decisions (options and performance shares) shown in the Summary Compensation Table of this proxy statement were made in early 2015 based on 2014 results (see prior year proxy statement for discussion of 2014 results). Specific 2015 financial goals are detailed on page 38.

Miles D. White

Base Salary No increase.

Performance Incentive Plan Mr. White's target bonus is 160% of his base salary. Based on performance in 2015, Mr. White received a bonus in February 2016 of $3,300,000, which was equal to 109% of his target bonus. This payout reflects his goal achievement, including 120% achievement of his operating cash flow goal, overachievement of his return goals, 99.5% achievement of his sales growth goal, and overall leadership in 2015 completing the sale of the Established Pharmaceuticals developed markets business to Mylan and overcoming significant headwinds such as the impact of a strong dollar in global markets.

Long-Term Incentives Based on performance in 2014, Mr. White received an LTI award in February 2015 with a value of $12,497,968, which was equal to approximately 115% of his LTI award guideline. This award reflects Abbott's sustained strong financial returns, including exceeding its double-digit adjusted EPS growth commitments and consistently meeting or beating earnings targets annually for the past 13 years, as well as Mr. White's significant additional strategic and operational achievements in the acquisitions of CFR and Veropharm and the sale of the Established Pharmaceuticals developed markets business to Mylan.

Thomas C. Freyman

Base Salary No increase.

Performance Incentive Plan Mr. Freyman's target bonus is 110% of his base salary. Based on performance in 2015, Mr. Freyman received a bonus in February 2016 of $1,019,000, which was equal to 95% of his target bonus. This payout reflects his goal achievement for 2015, including 120% achievement of his operating cash flow goal, overachievement of his return goals, and 99.5% achievement of his sales growth goal. Mr. Freyman's strategic and leadership goals for 2015 included executing phase three of the global Finance back office restructuring and other cost reduction initiatives, supporting Business Development efforts, reorganizing IT and improving IT infrastructure, developing a plan to improve efficiency of purchasing transactions, and preparing for the transition of our new Chief Financial Officer Mr. Yoor. His payout reflected achievement of his strategic and leadership goals in all material respects.

Long-Term Incentives Based on performance in 2014, Mr. Freyman received an LTI award in February 2015 with a value of $3,799,365, which was equal to approximately 125% of his LTI award guideline. This award reflects his significant additional strategic and operational achievements in completing the acquisitions of CFR and Veropharm, the sale of the Established Pharmaceuticals developed markets business to Mylan, and for exceeding Abbott's double-digit adjusted EPS growth commitments and consistently meeting or beating earnings targets for the past 13 years.

Brian B. Yoor

Base Salary Mr. Yoor's annual base salary was increased from $340,000 to $350,000 in February 2015. His base salary was then increased from $350,000 to $500,000 in June 2015 in connection with his promotion to Senior Vice President, Chief Financial Officer.

Performance Incentive Plan Mr. Yoor's target bonus is 90% of his base salary. Based on performance in 2015, Mr. Yoor received a bonus in February 2016 of $427,500, which was equal to 95% of his target bonus. This payout reflects his goal achievement for 2015, including 120% achievement of his operating cash flow goal, overachievement of his return goals, and 99.5% achievement of his sales growth goal. Mr. Yoor's strategic and leadership goals for 2015 included executing phase three of the global Finance back office restructuring and other cost reduction initiatives, supporting Business Development efforts, and executing key financial transactions. His payout reflected achievement of his strategic and leadership goals in all material respects.

Long-Term Incentives Based on performance in 2014, Mr. Yoor received an LTI award in February 2015 with a value of $549,906, which was equal to approximately 125% of his LTI award guideline. This award reflects his work in building a new Investor Relations team following the AbbVie separation, his shareholder outreach efforts, and his contribution to 2014 acquisition and divestiture efforts.

Mr. Yoor received an additional LTI award in June 2015 with a value of $1,124,942 in connection with his promotion to Senior Vice President, Chief Financial Officer.

Brian J. Blaser

Base Salary No increase.

Performance Incentive Plan Mr. Blaser's target bonus is 105% of his base salary. Based on performance in 2015, Mr. Blaser received a bonus in February 2016 of $700,000, which was equal to 99% of his target bonus. This payout reflects his goal achievement, including significant overachievement of his operating plan in ADD, achievement of operating plan in Point of Care and Molecular Diagnostics businesses, and 102.0% achievement of his sales growth goals. Mr. Blaser's strategic goals in 2015 included achieving new product platform delivery goals, increasing market share in key markets and entering new markets. Mr. Blaser's leadership goals in 2015 focused on filling critical roles and addressing key talent issues. His payout reflected achievement of his strategic and leadership goals in all material respects.

Long-Term Incentives Based on performance in 2014, Mr. Blaser received an LTI award in February 2015 with a value of $2,309,606, which was equal to 110% of his LTI award guideline of $2,100,000. This award reflects the strong margin and sales contributions his business has made to the enterprise over the past three years and progress in establishing key new product platforms.

John M. Capek

Base Salary No increase.

Performance Incentive Plan Mr. Capek's target bonus is 105% of his base salary. Based on performance in 2015, Mr. Capek received a bonus in February 2016 of $585,000, which was equal to 83% of his target bonus. This payout reflects his goal achievement for 2015, including 120% achievement of his operating cash flow goal, overachievement of his corporate return goals, and 99.5% achievement of his sales growth goal. Mr. Capek's strategic and leadership goals in 2015 included the successful acquisition of Topera, successful formation of the Electrophysiology business, and successful transition of the leadership of the Ventures group. His payout reflected achievement of most of his strategic goals and achievement of his leadership goals.

Long-Term Incentives Based on performance in 2014, Mr. Capek received an LTI award in February 2015 with a value of $2,204,625, which was equal to 105% of his LTI award guideline. This award reflects bringing Libre to market in Diabetes Care and successful leadership of our Medical Devices businesses, including entry into the Electrophysiology business.

Michael J. Warmuth

Base Salary No increase.

Performance Incentive Plan Mr. Warmuth's target bonus is 105% of his base salary. Based on performance in 2015, Mr. Warmuth received a bonus in February 2016 of $700,000, which was equal to 99% of his target bonus. This payout reflects his goal achievement, including achievement of his return goals and 102.4% achievement of his sales growth goals. Mr. Warmuth's strategic and leadership goals in 2015 included achieving M&A goals (including divestiture of the developed market business), increasing market share in key countries, and achieving new product expansion goals. His payout reflected achievement of his strategic and leadership goals in all material aspects.

Long-Term Incentives Based on performance in 2014, Mr. Warmuth received an LTI award in February 2015 with a value of $2,414,589, which was equal to 115% of his LTI award guideline. This award reflects his strategic leadership in significantly expanding the Established Pharmaceuticals business (e.g., acquisitions of CFR and Veropharm) and the sale of the developed markets business to Mylan.

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2015 PERFORMANCE GOALS FOR PERFORMANCE INCENTIVE PLAN

DISCUSSION OF NAMED OFFICERS' ACHIEVEMENT OF GOALS DURING 2015

FINANCIAL GOALS

The results shown below reflect an increase of 9.1% in operational sales from continuing operations excluding the impact of foreign exchange, an increase of 8.6% in adjusted diluted EPS, and an increase of 7.2% in adjusted net income over 2014. For a reconciliation to GAAP, see Annex 1.

Executive	Metric	2015 Expected Results	2015 Results Achieved	Percentage Achieved
Miles D. White	Adjusted Sales(1)	$21.0 Billion	$20.9 Billion	99.5%
	Adjusted Diluted EPS(2)	$2.15	$2.15	100.0%
	Adjusted Net Income(2)	$3.25 Billion	$3.26 Billion	100.3%
	Adjusted Return on Assets(2)	9.1%	9.6%	105.5%
	Operating Cash Flow(2)	$2.5 Billion	$3.0 Billion	120.0%
Thomas C. Freyman	Adjusted Sales(1)	$21.0 Billion	$20.9 Billion	99.5%
	Adjusted Diluted EPS(2)	$2.15	$2.15	100.0%
	Operating Cash Flow(2)	$2.5 Billion	$3.0 Billion	120.0%
Brian B. Yoor	Adjusted Sales(1)	$21.0 Million	$20.9 Billion	99.5%
	Adjusted Diluted EPS(2)	$2.15	$2.15	100.0%
	Operating Cash Flow(2)	$2.5 Billion	$3.0 Billion	120.0%
Brian J. Blaser	Adjusted Division Net Sales(1)	$5.0 Billion	$5.1 Billion	102.0%
	Adjusted Division Margin(2)	$1,219 Million	$1,239 Million	101.6%
John M. Capek	Adjusted Sales(1)	$21.0 Billion	$20.9 Billion	99.5%
	Adjusted Diluted EPS(2)	$2.15	$2.15	100.0%
	Operating Cash Flow(2)	$2.5 Billion	$3.0 Billion	120.0%
Michael J. Warmuth	Adjusted Division Net Sales(1)	$4.1 Billion	$4.2 Billion	102.4%
	Adjusted Division Margin(2)	$791 Million	$799 Million	101.0%

(1) Reflects a Sales Growth goal under the annual incentive plan. Adjusted Sales exclude the impact of foreign exchange on actual sales relative to the goal target.

(2) Reflects a Financial Return goal under the annual incentive plan.

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BENEFITS AND PERQUISITES

Each of the benefits described below was designed to support the Company's objective of providing a competitive total pay program. Individual benefits do not directly affect decisions regarding other benefits or pay components, except to the extent that benefits and pay components must, in aggregate, be competitive, as previously discussed.

Retirement Benefits	The named officers participate in two Abbott-sponsored defined benefit plans: the Abbott Laboratories Annuity Retirement Plan and the Abbott Laboratories Supplemental Pension Plan. These plans are described in greater detail in the "Pension Benefits" section of the proxy. Since officers' Supplemental Pension Plan benefits cannot be secured in a manner similar to qualified plans, which are held in trust, officers receive an annual cash payment equal to the increase in present value of their Supplemental Pension Plan benefit. Officers have the option of depositing these annual payments to an individually established grantor trust, net of tax withholdings. Deposited amounts may be credited with the difference between the officers' actual annual trust earnings and the rate used to calculate trust funding (currently 8%) while they are employed. Amounts deposited in the individual trusts are not tax deferred. Officers do not receive tax gross-ups on their grantor trusts. The manner in which the grantor trust will be distributed to an officer upon retirement from the Company generally follows the manner elected by the officer under the Annuity Retirement Plan. Should an officer (or the officer's spouse, depending upon the pension distribution method elected by the officer under the Annuity Retirement Plan) live beyond the actuarial life expectancy age used to determine the Supplemental Pension Plan benefit and, therefore, exhaust the trust balance, the Supplemental Pension Plan benefit will be paid by the Company.
Deferred Compensation	Officers of the Company, like all U.S. employees, are eligible to defer a portion of annual base salary, on a pre-tax basis, to the Company's qualified 401(k) plan, up to the IRS contribution limits. Officers are also eligible to defer up to 18% of their base salary, less contributions to the 401(k) plan, to a non-qualified plan. Unlike other U.S. managers, officers are not eligible to elect to defer compensation into the Deferred Compensation Plan. However, one hundred percent (100%) of annual incentive awards earned under the Company's Performance Incentive Plan is eligible for deferral to a non-qualified plan. Officers may defer these amounts to unfunded book accounts or choose to have the amounts paid in cash on a current basis and deposited into individually established grantor trusts, net of tax withholdings. These amounts are credited annually with earnings. Officers do not receive tax gross-ups on their grantor trusts. Officers elect the manner in which the assets held in their grantor trusts will be distributed to them upon retirement or other separation from the Company.
Change in Control Arrangements	Mr. White does not have a change in control agreement. The other named officers have change in control agreements, the purpose of which is to aid in retention and recruitment, encourage continued attention and dedication to assigned duties during periods involving a possible change in control of the Company, and protect the earned benefits of the officer against adverse changes resulting from a change in control. The level of payments provided under the agreements is established to be consistent with market practices as confirmed by data provided to the Committee by its independent compensation consultant. These arrangements are described in greater detail in the "Potential Payments Upon Termination or Change in Control" section of this proxy.

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Financial Planning	Named officers are eligible to receive up to $10,000 of fees annually associated with estate planning advice, tax preparation, and general financial planning. If an officer chooses to utilize this benefit, fees for services received up to the annual allocation are paid by the Company and are treated as imputed income to the officer, who then is responsible for payment of all taxes due on the fees paid by the Company.
Company Automobile	Named officers are eligible for use of a Company-leased vehicle, with a lease term of 50 months. Seventy-five percent (75%) of the cost of the vehicle is imputed to the officer as income for federal income tax purposes.
Company Aircraft	Non-business-related flights on corporate aircraft by Messrs. White and Freyman are covered by time-sharing lease agreements, pursuant to which incremental costs associated with those flights are reimbursed by the executives to the Company in accordance with Federal Aviation Administration regulations.
Disability Benefit	In addition to Abbott's standard disability benefits, the named officers are eligible for a monthly long-term disability benefit, which is described in greater detail in the "Potential Payments Upon Termination or Change in Control" section of this proxy.

SHARE OWNERSHIP AND RETENTION GUIDELINES

To further promote sustained shareholder return and to ensure the Company's executives remain focused on both short- and long-term objectives, the Company has established share ownership guidelines. Each officer has five years from the date appointed/elected to his/her position to achieve the ownership level associated with the position.

Role	**Guideline**
Chief Executive Officer	6 times base salary
Executive Vice Presidents and Senior Vice Presidents	3 times base salary
All other officers	2 times base salary

Any officer who has not achieved at least 50% of the stock ownership guideline after three years in their current position will be required to hold 50% of future shares until they meet the ownership guideline.

All named officers with 5 years tenure in their current position meet or exceed the guidelines.

HEDGING

Directors and officers are prohibited from entering into or engaging in any financial transaction that is designed to reduce the financial risk associated with owning Abbott stock. These financial transactions include, but are not limited to, engaging in short sales, derivative transactions (such as equity swaps, straddles, puts, or calls), and hedging or monetizing transactions (such as collars, exchange funds, or prepaid forward variable contracts) that are linked directly to Abbott stock.

PLEDGING

Directors and officers are prohibited from holding Abbott stock in a margin account, pledging Abbott stock, or otherwise securing any of their obligations by assigning Abbott stock as collateral. The Compensation Committee, or its delegate, may grant an exception provided that:

The director or officer meets Abbott's applicable minimum stock ownership guideline; and

Only Abbott stock in excess of the applicable minimum stock ownership guideline is held in the margin account, pledged, or assigned as collateral.

RECOUPMENT POLICY

In 2015, following discussions by management with shareholders, the Compensation Committee implemented a recoupment policy. The Compensation Committee has broad discretion to administer and implement the policy and seek recoupment of equity or cash incentive awards if it determines that a senior executive engaged in misconduct or failed in a supervisory capacity, resulting in a material violation of law or Abbott policy that causes significant financial harm to Abbott. The Compensation Committee may recover incentive compensation awarded to a senior executive in the prior three years or reduce future awards. The policy will not affect awards made prior to its effective date or following a change in control.

COMPLIANCE

The Performance Incentive Plan and Incentive Stock Program, which are described above, are intended to comply with Internal Revenue Code Section 162(m) to ensure deductibility.

The Committee reserves the flexibility to take actions that may be based on considerations in addition to tax deductibility. The Committee believes that shareholder interests are best served by not restricting the Committee's discretion and flexibility in crafting compensation programs, even if such programs may result in certain non-deductible compensation expenses. Accordingly, the Committee may from time to time approve components of compensation for certain officers that are not deductible.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board is primarily responsible for reviewing, approving, and overseeing Abbott's compensation plans and practices, and works with management and the Committee's independent consultant to establish Abbott's executive compensation philosophy and programs. The Committee has reviewed and discussed the Compensation Discussion and Analysis with management and has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Compensation Committee

W. J. Farrell, *Chairman*

R. S. Austin
E. M. Liddy
W. A. Osborn
S. C. Scott III

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COMPENSATION RISK ASSESSMENT

During 2015, Abbott conducted its annual risk assessment of its compensation policies and practices for employees and executives. Abbott's risk assessment is reinforced by Abbott's adherence to a number of industry-leading best practices, including:

- Compensation Committee chaired by independent, non-employee director
- Representation from the Audit Committee on the Compensation Committee
- Review of executive compensation programs by the Compensation Committee's independent consultant
- Robust review of compensation program elements and key performance drivers
- Detailed measurement of short- and long-term compensation elements to ensure balance

Based on this assessment, Abbott determined its compensation and benefit programs appropriately align employees and performance without incentivizing risky behaviors. Any risk arising from its compensation policies and practices is not reasonably likely to have a material adverse effect on Abbott or its shareholders.

The following factors were among those considered:

- Compensation structure encourages employees to regard Abbott as a career employer, to consider the long-term impact of their decisions, and to align their interests with those of Abbott's shareholders (e.g., equity awards that vest over multi-year periods, defined benefit pension plan).

- Abbott's long-term incentive plan focuses on longer-term operating performance and shareholder returns, (e.g., in 2015, roughly 70% of CEO and 64% of other named officer total compensation was in the form of long-term equity incentives that vest over multiple years).

- Equity awards are made, and grant prices are set at the same time each year, at the Compensation Committee's regularly scheduled meeting. In addition, Abbott does not reprice stock options, award discounted stock options, or immediately vest stock options or restricted stock. The equity awards are based on multiple performance factors, and executive share ownership guidelines and share retention requirements promote alignment with shareholders.

- Abbott's annual incentive plan places an appropriate weighting on earnings achievement by balancing it with other factors, including operational and strategic measures. Since earnings are a key component of stock price performance, this aspect of Abbott's compensation plan promotes alignment with shareholder interests without creating duplication across incentive plans.

- Abbott's recoupment policy allows the Compensation Committee to seek recoupment of incentive compensation or reduce future awards if it determines that a senior executive engaged in misconduct or failed in a supervisory capacity, resulting in a material violation of law or Abbott policy that caused significant financial harm to Abbott.

- Annual benchmarking ensures performance achievement and incentive payout opportunities are aligned with a peer group that reflects the investment profile, operating characteristics, and employment and business markets of Abbott. Appropriateness of this group is assessed annually by the Compensation Committee's independent consultant and approved by the Compensation Committee.

- Abbott's hedging policy prohibits directors and officers from entering into financial transactions designed to reduce the financial risk associated with owning Abbott shares.

Abbott's pledging policy prohibits directors and officers from holding Abbott shares in a margin account, pledging Abbott shares, or securing obligations by assigning Abbott shares as collateral unless granted an exception by the Compensation Committee.

Training on code of business conduct and policies and procedures is mandatory for all employees and non-employee directors.

Abbott's compensation program does not include features that could encourage excessive risk taking, such as over-weighting toward annual incentives, highly leveraged payout curves, uncapped incentive award payments, unreasonable thresholds, or steep payout cliffs at certain levels that may encourage short-term business decisions to meet payout thresholds.

This assessment was discussed with the Compensation Committee and its independent compensation consultant. The Committee and the consultant both agreed with the assessment.

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SUMMARY COMPENSATION TABLE

The following table summarizes compensation awarded to, earned by, or paid to the named officers. The section of the proxy statement captioned, "Compensation Discussion and Analysis How Executive Pay Decisions Are Made" describes in greater detail the information reported in this table.

Name and Principal Position	Year	Salary ($)(2)	Stock Awards ($)(3)	Option Awards ($)(5)	Non-Equity Incentive Plan Compensation ($)(7)	Change in Pension Value and Non-qualified Deferred Compensation Earnings ($)(8)	All Other Compensation ($)(9)	Total ($)
Miles D. White,	2015	$1,900,000	$6,247,971	$6,249,997	$3,300,000	$ 612,230	$1,091,506	$19,401,704
Chairman of the	2014	1,973,077	4,649,999	4,649,997	3,800,000	1,552,732	1,106,436	17,732,241
Board, Chief Executive Officer and Director	2013	1,900,000	7,337,400(4)	7,062,220(4)(6)	3,150,000	336,153	1,079,895	20,865,668
Thomas C. Freyman,	2015	975,100	1,899,369	1,899,996	1,019,000	110,563	163,625	6,067,653
Executive Vice	2014	1,012,604	1,281,024	1,281,048	1,200,000	2,369,141	164,011	7,307,828
President, Finance and Administration(1)	2013	969,748	2,009,050(4)	1,784,319(4)(6)	912,000	49,516	157,121	5,881,754
Brian B. Yoor, *Senior Vice President, Finance and Chief Financial Officer*(1)	2015	437,884	841,779	833,069	427,500	131,926	40,493	2,712,651
Brian J. Blaser,	2015	675,000	1,154,609	1,154,997	700,000	230,027	75,336	3,989,969
Executive Vice President,	2014	690,000	1,119,262	1,119,298	668,000	563,615	90,094	4,250,269
Diagnostic Products	2013	614,608	1,107,598(4)	952,050(4)	800,000	28,390	76,896	3,579,542
John M. Capek,	2015	675,000	1,102,127	1,102,498	585,000	174,870	126,422	3,765,917
Executive Vice President, Ventures	2014	696,807	904,024	904,044	653,800	530,230	110,490	3,799,395
Michael J. Warmuth, *Executive Vice President, Established Pharmaceuticals*	2015	675,000	1,207,092	1,207,497	700,000	109,579	872,118	4,771,286

(1) Effective June 1, 2015, Mr. Freyman was appointed Executive Vice President, Finance and Administration and Mr. Yoor was appointed Senior Vice President, Finance and Chief Financial Officer. Prior to assuming his current role, Mr. Freyman served as Executive Vice President, Finance and Chief Financial Officer. Mr. Yoor continues to report to Mr. Freyman in his new role.

(2) In a typical year, such as 2015 and 2013, Abbott's U.S. salaried employees are paid on a bi-weekly 26 pay period schedule. 2014 included an extra pay period for Abbott's U.S. salaried employees, resulting in salaries approximately 3.8 percent higher than in a typical year having 26 pay periods.

(3) In accordance with the Securities and Exchange Commission's rules, the amounts 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 grant date fair value by multiplying the number of shares granted by the average of the high and low market prices of an Abbott common share on the award's date of grant.

(4)

When Abbott and AbbVie separated on January 1, 2013, all holders of outstanding Abbott equity awards received (except where prohibited by local law) an identical number of AbbVie equity awards to preserve the value of the initial Abbott awards. Because these AbbVie awards resulted from an anti-dilution adjustment pursuant to the terms of Abbott's Incentive Stock Programs meant to preserve the value of the existing Abbott awards, they have no impact on the amounts set forth in the table.

(5)

In accordance with the Securities and Exchange Commission's rules, the amounts in this column represent the aggregate grant date fair value of the awards in accordance with Financial Accounting Standards Board ASC Topic 718. These amounts were determined as of the option's grant date using a Black-Scholes stock option valuation model. These amounts are being reported solely for the purpose of comparative disclosure in accordance with the Securities and Exchange Commission's rules. There is no certainty that the amount determined using a Black-Scholes stock option valuation model would be the value at which employee stock options would be traded for cash. For options other than the replacement options, the assumptions are the same as those described in Note 9, entitled "Incentive Stock Program" of Abbott's Notes to Consolidated Financial Statements included under Item 8, "Financial Statements and Supplementary Data" in Abbott's 2015 Annual Report on

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Securities and Exchange Commission Form 10-K. For Abbott replacement options, the model used the following assumptions: expected volatility of 14%; dividend yield ranging between 1.6% and 1.7%; risk-free interest of 0.1%; and an option life equal to 60% of the option's remaining life. For AbbVie replacement options, the model used the following assumptions: expected volatility of 32.63%; dividend yield of 4.5%; risk-free interest of 0.1%; and an option life equal to 60% of the option's remaining life.

(6)

These amounts include the grant date fair values of $1,407,620 and $57,358 attributable to replacement stock options issued in 2013 to M. D. White and T. C. Freyman, respectively, with respect to original option grants made before 2005. No options with a replacement option feature remain outstanding. Prior to 2014, when the exercise price of an Abbott option with a replacement feature was paid (or, in the case of a non-qualified stock option, when the option's exercise price or the withholding taxes resulting on exercise of that option were paid) with Abbott common shares held by the named officer, an Abbott replacement option may have been granted for the number of shares used to make that payment. The closing price of an Abbott common share on the business day before the exercise was used to determine the number of shares required to exercise the related option and the exercise price of the replacement option. The replacement option was exercisable in full six months after the date of grant, and had a term expiring on the expiration date of the original option. Other terms and conditions of the replacement option award were the same in all material respects to those applicable to the original grant. AbbVie replacement options had substantially similar terms, except that AbbVie common stock was used to pay for the exercise price or withholding taxes.

(7)

This compensation is earned as a performance-based incentive bonus, pursuant to the 1998 Abbott Laboratories Performance Incentive Plan. Additional information regarding the Performance Incentive Plan can be found in the section of this proxy statement captioned, "Compensation Discussion and Analysis How Executive Pay Decisions Are Made Annual Cash Incentive Plan."

(8)

The plan amounts shown below are reported in this column.

For Messrs. White, Freyman, and Blaser, the amounts shown alongside the officer's name are for 2015, 2014, and 2013, respectively. For Mr. Capek, the amounts shown are for 2015 and 2014, respectively. For Messrs. Yoor and Warmuth, the amount shown is for 2015.

Abbott Laboratories Annuity Retirement Plan

M. D. White: $44,424 / $254,100 / $11,805; T. C. Freyman: $70,697 / $266,632 / $14,517; B. B. Yoor: ($2,330); B. J. Blaser: $10,350 / $65,871 / ($3,130); J. M. Capek: $14,887 / $62,858; and M. J. Warmuth: $1,750.

Abbott Laboratories Supplemental Pension Plan

M. D. White: ($332,475) / $770,577 / ($1,411,638); T. C. Freyman: ($1,055,904) / $2,020,109 / ($539,519); B. B. Yoor: $131,766; B. J. Blaser: $169,587 / $470,457 / $15,511; J. M. Capek: $83,137 / $400,130; and M. J. Warmuth: $268.

Non-Qualified Defined Contribution Plan Earnings

The totals in this column include reportable interest credited under the 1998 Abbott Laboratories Performance Incentive Plan, the Abbott Laboratories 401(k) Supplemental Plan, and the 1986 Abbott Laboratories Management Incentive Plan (although none of the named officers currently receives awards under this plan).

M. D. White: $612,230 / $528,055 / $336,153; T. C. Freyman: $110,563 / $82,400 / $49,516; B. B. Yoor: $2,490; B. J. Blaser: $50,090 / $27,287 / $16,009; J. M. Capek: $76,846 / $67,242; and M. J. Warmuth: $107,561.

(9)

The amounts shown below are reported in this column.

For Messrs. White, Freyman, and Blaser, the amounts shown alongside the officer's name are for 2015, 2014, and 2013, respectively. For Mr. Capek, the amounts shown are for 2015 and 2014, respectively. For Messrs. Yoor and Warmuth, the amount shown is for 2015.

Earnings on Non-Qualified Defined Benefit and Non-Qualified Defined Contribution Plans (net of the reportable interest included in footnote 8).

M. D. White: $567,345 / $596,788 / $583,735; T. C. Freyman: $75,485 / $84,855 / $70,747; B. B. Yoor: $304; B. J. Blaser: $11,863 / $27,727 / $12,650; J. M. Capek: $74,372 / $56,940; and M. J. Warmuth: $62,146.

Each of the named officers' awards under the 1998 Abbott Laboratories Performance Incentive Plan is paid in cash to the officer on a current basis and may be deposited into a grantor trust established by the officer, net of maximum tax withholdings. Each of the named officers has also established grantor trusts in connection with the Abbott Laboratories Supplemental Pension Plan, the Abbott Laboratories 401(k) Supplemental Plan, and, other than Mr. Yoor, the 1986 Abbott Laboratories Management Incentive Plan (although none of the named officers currently receives awards under the

Management Incentive Plan). These amounts include the trusts' earnings (net of the reportable interest included in footnote 8).

Employer Contributions to Defined Contribution Plans

M. D. White: $95,000 / $98,654 / $95,000; T. C. Freyman: $48,755 / $50,630 / $48,488; B. B. Yoor: $21,894; B. J. Blaser: $33,750 / $34,500 / $30,730; J. M. Capek $33,750 / $34,840; and M. J. Warmuth: $33,750.

These amounts include employer contributions to both Abbott's tax-qualified defined contribution plan and the Abbott Laboratories 401(k) Supplemental Plan. The Abbott Laboratories 401(k) Supplemental Plan permits Abbott's officers to contribute amounts in excess of the limit set by the Internal Revenue Code for employee contributions to 401(k) plans up to the excess of (i) 18% of their base salary over (ii) the amount contributed to Abbott's tax-qualified 401(k) plan. Abbott matches participant contributions at the rate of 250% of the first 2% of compensation contributed to the plan. The named officers have these amounts paid to them in cash on a current basis and deposited into a grantor trust established by the officer, net of maximum tax withholdings.

Other Compensation

Messrs. White's and Freyman's non-business-related flights on corporate aircraft are covered by time-sharing lease agreements, pursuant to which they reimburse Abbott for certain costs associated with those flights in accordance with Federal Aviation Administration regulations. The following amounts are included in the totals in this column, which reflect Abbott's incremental cost less reimbursements for non-business-related flights: M. D. White: $216,811 / $217,954 / $218,280; and T. C. Freyman: $15,972 / $9,682 / $15,687.

Abbott determines the incremental cost for flights based on the direct cost to Abbott, including fuel costs, parking, handling and landing fees, catering, travel fees, and other miscellaneous direct costs.

For Mr. White, the following costs associated with security are included: $212,350 / $193,040 / $182,880. Abbott determines the cost for these expenses based on its actual costs. The security is provided on the recommendation of an independent security study.

Also included in the totals shown in the table is the cost of providing a corporate automobile less the amount reimbursed by the officer: T. C. Freyman: $18,916 / $15,395 / $12,199; B. B. Yoor: $18,295; B. J. Blaser: $22,236 / $27,867 / $27,016; J. M. Capek: $18,300 / $18,710; and M. J. Warmuth: $7,748. The amount paid to Mr. Warmuth was paid in Swiss francs and converted to U.S. dollars at the December 31, 2015 exchange rate of 1.0045 U.S. dollars to the Swiss Franc.

For Messrs. Freyman, Blaser, and Warmuth, the following costs associated with financial planning are included: T. C. Freyman: $4,497 / $3,449 / $10,000; B. J. Blaser: $7,487 / $0 / $6,500; and M. J. Warmuth: $10,000.

For Mr. Warmuth, this amount includes $167,659 for expatriate program benefits and $590,815 for tax equalization payments (to avoid double taxation in the United States and Switzerland) under Abbott's program for employees working on expatriate assignments. The tax equalization payments were in Swiss francs and converted to U.S. dollars at the December 31, 2015 exchange rate of 1.0045 U.S. dollars to the Swiss franc.

The named officers are also eligible to participate in an executive disability benefit described on page 58.

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2015 GRANTS OF PLAN-BASED AWARDS

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1]		Estimated Future Payouts Under Equity Incentive Plan Awards	All Other Option Awards: Numbers of Securities Underlying	Exercise or Base Price of Options	Closing Market Price on	Grant Date Fair Value of Stock and
Name	**Grant Date**	**Approval Date**	**Target ($)**	**Maximum ($)**	**Target (#)[2][3]**	**Options (#)**	**Awards ($/Sh.)**	**Grant Date**	**Option Awards**
M. D. White	2/20/15	2/20/15			132,978				$6,247,971[5]
	2/20/15	2/20/15				937,031[4]	$47.00	$47.48	6,249,997[6]
T. C. Freyman	2/20/15	2/20/15			40,425				1,899,369[5]
	2/20/15	2/20/15				284,857[4]	47.00	47.48	1,899,996[6]
B. B. Yoor	2/20/15	2/20/15			5,851				274,909[5]
	6/01/15	5/04/15			11,596				566,870[5]
	2/20/15	2/20/15				41,229[4]	47.00	47.48	274,997[6]
	6/01/15	5/04/15				81,709[4]	48.90	48.94	558,072[6]
B. J. Blaser	2/20/15	2/20/15			24,574				1,154,609[5]
	2/20/15	2/20/15				173,163[4]	47.00	47.48	1,154,997[6]
J. M. Capek	2/20/15	2/20/15			23,457				1,102,127[5]
	2/20/15	2/20/15				165,292[4]	47.00	47.48	1,102,498[6]
M. J. Warmuth	2/20/15	2/20/15			25,691				1,207,092[5]
	2/20/15	2/20/15				181,034[4]	47.00	47.48	1,207,497[6]

(1) During 2015, each of the named officers participated in the 1998 Abbott Laboratories Performance Incentive Plan, an annual, non-equity incentive plan. The annual cash incentive award earned by the named officer in 2015 under the plan is shown in the Summary Compensation Table under the column captioned, "Non-Equity Incentive Plan Compensation." No future payouts will be made under the plan's 2015 annual cash incentive award. The Performance Incentive Plan is described in greater detail in the section of the proxy statement captioned, "Compensation Discussion and Analysis How Executive Pay Decisions Are Made."

(2) These are performance-based restricted stock awards that have a 5-year term and vest upon Abbott reaching a minimum return on equity target, with no more than one-third of the award vesting in any one year. In 2015, Abbott reached its minimum return on equity target and one-third of each of the awards made on February 20, 2015, vested on February 29, 2016. The equity targets are described in the section of the proxy statement captioned, "Compensation Discussion and Analysis How Executive Pay Decisions Are Made Long-Term Incentive Plan (LTI)."

(3) In the event of a grantee's death or disability, these awards are deemed fully earned. The treatment of these awards upon a change in control is described in the section of the proxy statement captioned, "Potential Payments Upon Termination or Change in Control Equity Awards." Outstanding restricted shares receive dividends at the same rate as all other shareholders.

(4) Options with respect to one-third of the shares covered by these awards are exercisable after one year; two-thirds after two years; and all after three years. The options vest in the event of the grantee's death or disability. The treatment of these awards upon a change in control is described in the section of the proxy statement captioned, "Potential Payments Upon Termination or Change in Control Equity Awards." Under the Abbott Laboratories 2009 Incentive Stock Program, these options have an exercise price equal to the average of the high and low market prices (rounded-up to the next even penny) of an Abbott common share on the date of grant. These options do not contain a replacement option feature.

(5) Abbott determines the grant date fair value of stock awards by multiplying the number of restricted shares granted by the average of the high and low market prices of a common share on the grant date.

(6) These values were determined as of the option's grant date using a Black-Scholes stock option valuation model. The model uses the assumptions described in Note 9, entitled "Incentive Stock Program" of Abbott's Notes to Consolidated Financial Statements included under Item 8, "Financial Statements and Supplemental Data" in Abbott's 2015 Annual Report on Securities and Exchange Commission Form 10-K.

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2015 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table summarizes the outstanding equity awards held by the named officers at year-end.

	Option Awards[1][2]					Stock Awards[2]			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
M. D. White								70,000	$3,143,700
								79,243	3,558,803
								132,978	5,972,042
	550,000			$25.2461	02/15/17				
	530,000			26.6973	02/14/18				
	325,000			26.0150	02/19/19				
	295,000			26.1879	02/18/20				
	294,700			22.3919	02/17/21				
	302,500			27.0336	02/16/22				
	653,333	326,667		34.9400	02/14/23				
	242,567	485,132		39.1200	02/20/24				
		937,031		47.0000	02/19/25				

See footnotes on page 53.

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2015 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END (CONTINUED)

	Option Awards[1][2]					Stock Awards[2]			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
T. C. Freyman								19,167	$ 860,790
								21,830	980,385
								40,425	1,815,487
	56,000			$25.2461	02/15/17				
	127,500			26.6973	02/14/18				
	108,200			26.0150	02/19/19				
	87,100			26.1879	02/18/20				
	86,300			22.3919	02/17/21				
	107,300			27.0336	02/16/22				
	199,533	99,767		34.9400	02/14/23				
	66,826	133,651		39.1200	02/20/24				
		284,857		47.0000	02/19/25				

See footnotes on page 53.

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2015 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END (CONTINUED)

	Option Awards[1][2]					Stock Awards[2]			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
B. B. Yoor								2,200	$ 98,802
								3,524	158,263
								5,851	262,768
								11,596	520,776
		11,400		$34.9400	02/14/23				
	10,788	21,575		39.1200	02/20/24				
		41,229		47.0000	02/19/25				
		81,709		48.9000	05/31/25				

See footnotes on page 53.

2015 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END (CONTINUED)

	Option Awards[1][2]					Stock Awards[2]			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
B. J. Blaser								10,567	$ 474,564
								19,074	856,613
								24,574	1,103,618
	3,233			$26.1879	02/18/20				
	6,333			23.2280	05/16/20				
	27,733			22.3919	02/17/21				
	48,100			27.0336	02/16/22				
	10,100			29.2920	05/31/22				
	110,000	55,000		34.9400	02/14/23				
	58,388	116,776		39.1200	02/20/24				
		173,163		47.0000	02/19/25				

See footnotes on page 53.

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2015 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END (CONTINUED)

	Option Awards[(1)(2)]					Stock Awards[(2)]			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested ($)**	**Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)**	**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**
J. M. Capek								9,600	$ 431,136
								15,406	691,883
								23,457	1,053,454
	22,000			$24.3812	07/31/17				
	93,400			26.6973	02/14/18				
	64,900			26.0150	02/19/19				
	46,900			26.1879	02/18/20				
	50,100			22.3919	02/17/21				
	52,300			27.0336	02/16/22				
	99,733	49,867		34.9400	02/14/23				
	47,160	94,318		39.1200	02/20/24				
		165,292							