Abbott Laboratories Annuity Retirement Plan

The dependable monthly income provided by the Abbott Laboratories Annuity Retirement Plan (ARP) is the cornerstone of your retirement income. Social Security benefits are meant to supplement this income. You can build upon these resources with your participation in the Abbott Stock Retirement Plan (SRP) and your personal savings to reach your retirement income goals.

If you retire from Abbott, the ARP will pay you a regular monthly income throughout your retirement. The plan also provides benefits to your surviving spouse, if any, unless you and your spouse waive this payment option in writing.

Even if you leave Abbott before you are eligible to retire, you may receive benefits from the plan if you have completed at least five years of Vesting Service as described in the Eligible Service section of this plan description.

You will not receive any benefits from the ARP if you terminate employment with Abbott before your benefits have vested.

Eligibility

Eligible Employees

As an employee of Abbott or a participating subsidiary, you are eligible to participate in the ARP if you are age 21 and are a resident of the United States.

Ineligible Employees

The ARP does not apply to employees covered by a collective bargaining agreement or to employees of nonparticipating employers. The ARP also does not apply to individuals employed outside of the United States or in Puerto Rico, except for certain designated transferred employees. Contract or leased employees are not eligible for Abbott benefit plans or programs.

Enrollment

If you meet the eligibility requirements when you are hired, you will automatically participate in the plan as of your date of hire. If you are under age 21 when you are hired, you will become a participant on your 21st birthday. You do not need to complete an enrollment form.

Contributions

You make no contributions to the ARP. The ARP's costs are paid from a trust, which is funded with contributions made by Abbott. A portion of the trust fund is attributable to employee contributions that were made before October 1, 1989.

Plan Benefits

When you retire or leave the Company, your ARP benefits will be calculated using formulas that take into account such factors as your Eligible Service, your Final Earnings, and your age. Your pension benefit will be calculated as shown below:

Service through December 31, 2003

Your benefit based on service through December 31, 2003, will be calculated using the greater of Formula 1 or Formula 2, your Final Earnings at retirement and reductions for Early Retirement and preretirement surviving spouse's pension benefit (PRSSPB) protection, if applicable.

Plus

Service from January 1, 2004 and Later

Your benefit based on service from January 1, 2004 and later will be calculated using the 01/01/2004 Formula, your Final Earnings at retirement, and reductions for Early Retirement, if applicable.

Benefit Maximums

The Internal Revenue Code imposes limits on the amount of benefits that can be paid to an individual from a pension plan of this type. If you are affected by any of these limits, Abbott will notify you.

Eligible Service

For purposes of determining your eligibility to receive ARP benefits as well as the amount of benefits payable to you, the plan recognizes three types of service — Vesting Service, Benefit Service, and Seniority Service.

Vesting Service

Vesting Service includes each year you were a plan participant (after age 18) since December 31, 1986 plus each full or fractional year of service you earned under the ARP in effect before January 1, 1987. You must have worked at least 1,000 hours in a calendar year to receive credit for that year.

Vesting Service includes periods of plan participation during which you are eligible to receive benefits under the Abbott Laboratories Long-term Disability Plan, unpaid leaves of absence of up to one year during plan participation and periods of military leave for service in the U.S. armed forces where reemployment rights are protected by law.

You are entitled to 1/12th of a year of vesting service for each calendar month you are employed by a member of the Abbott Laboratories controlled group. If and to the extent provided by the Board of Review, a period of employment with a business entity, part or all of which is acquired by, or becomes part of the controlled group, will be considered a period of vesting service.

Vesting Service does not include any period of service after age 21 during which you waived participation in the ARP or any period of employment before age 18.

Contract Service

Vesting Service may also include credit for periods in which employees provided services to Abbott on a full-time basis through contract employment agencies or as independent contractors (sometimes called leased employees).

This service is recognized as Vesting Service for purposes of determining eligibility for vested benefits under the plan only. Contract Service is not used to determine eligibility for retirement, nor is Contract Service used to determine benefit amounts. Contract employment is not recognized for Benefit Service or Seniority Service, or in determining eligibility for retiree medical benefits.

Benefit Service

Benefit Service is used to determine the amount of your pension under the ARP. Your Benefit Service is calculated using each year you were a plan participant after December 31, 1986, with each calendar month of plan participation counted as 1/12 of a year, plus each full or fractional year of service you earned under the ARP before January 1, 1987 (which would have been used to determine the amount of your pension benefit).

Benefit Service *includes* periods of plan participation during which you are eligible to receive benefits under the Abbott Laboratories Long-term Disability Plan, unpaid leaves of absence of up to one year during ARP participation and periods of military leave for service in the U.S. armed forces where reemployment rights are protected by law.

Benefit Service *does not include* any period before October 1, 1989 during which you did not make contributions to the ARP, except:

- While eligible to receive benefits under the Abbott Laboratories Long-term Disability Plan
- During unpaid leaves of no more than three months duration before January 1, 1987, or
- During military leaves of absence

Benefit Service *does not include* any period before you were a plan participant, including Vesting Service attributable to contract or leased employment, or service before age 18. You cannot accrue more than 35 years of Benefit Service under the ARP.

Seniority Service

Seniority Service is used to determine your eligibility for Special Retirement, Early Retirement, and Early Special Retirement, and the amount of your pension if you are eligible for those benefits. You cannot accrue more than 35 years of Seniority Service under the ARP.

Seniority Service includes:

- Each year you were a plan participant since December 31, 1986 (with each calendar month of plan participation counted as 1/12 of a year) plus each full or fractional year of service you earned under the ARP in effect before January 1, 1987 (you must have worked at least 1,000 hours in a calendar year to receive credit for that year)
- Periods of plan participation during which you are eligible to receive benefits under the Abbott Long-term Disability Plan, unpaid leaves of absence of up to one year during plan participation and periods of military leave for service in the U.S. armed forces where reemployment rights are protected by law
- Periods of Abbott service you accrued before reaching the minimum age for plan participation

Seniority Services *does not include* Vesting Service attributable to contract or leased employment. In addition, Seniority Service does not generally include time worked for an acquired company.

Eligible Earnings

Basic Earnings

Basic Earnings for the ARP include your regular base pay, overtime, shift differential and other premium payments, commissions, Sick Pay and payments made under Abbott's management and formula-based bonus plans (such as the Cash Profit Sharing Plan), before these are reduced by contributions to Abbott's pre-tax benefit plans. Basic Earnings do not include discretionary bonuses, deferrals made or payments received under the Abbott Laboratories Deferred Compensation Plan, special awards or other forms of income you may receive. The maximum annual Basic Earnings that can be recognized by the ARP is adjusted periodically in accordance with federal law.

If your basic earnings exceed the maximum amount allowable under the federal earnings limits, Abbott may make supplemental payments from its general assets under the Abbott Laboratories Supplemental Pension Plan to provide you with monthly pension benefits equal to those you would have received in the absence of these limits.

Final Earnings

Final Earnings (Final Average Pay or FAP) are the average of your monthly Basic Earnings for the 60 highest-paid consecutive calendar months during which you received Basic Earnings from Abbott. If you receive Basic Earnings for less than 60 months, your Final Earnings will be the average of your monthly Basic Earnings for the entire period you received Basic Earnings from Abbott.

Your ARP Benefit

Your pension benefit will be calculated as shown below:

ARP Benefit Formula

Service through December 31, 2003

Your benefit based on service through December 31, 2003 calculated using the greater of Formula 1 or Formula 2, your Final Earnings (FAP) at retirement and reductions for Early Retirement and Preretirement Surviving Spouse's Pension Benefit (PRSSPB), if applicable

Plus

Service from January 1, 2004 and Later

Your benefit based on service from January 1, 2004 and later calculated using the January 1, 2004 Formula, your Final Earnings (FAP) at retirement and reductions for Early Retirement, if applicable

Annuity Formula for Service Earned January 1, 2004 and Later

1.10% of your FAP multiplied by your years of Benefit Service since January 1, 2004 up to 35 years.

Formula for Employees with Service Prior to January 1, 2004

If you have service both before and after December 31, 2003, your monthly benefit is the greater of the two amounts calculated under Formula 1 or Formula 2, plus the January 1, 2004 Formula result.

Formula 1

1.10% of your FAP multiplied by your years of Benefit Service through December 31, 2003

or

Formula 2

Part A minus Part B (see chart below) plus 1.10% of your FAP multiplied by your years of Benefit Service since January 1, 2004.

Part A

1.65% of your FAP multiplied by your years of Benefit Service through December 31, 2003, up to 20 years plus 1.5% of your FAP multiplied by your years of Benefit Service through December 31, 2003, from 21 to 35 years

Part B

1/2 of 1% of the lesser of:

- The monthly average of your Basic Earnings during the 36 consecutive months preceding your retirement or termination, up to the Social Security Wage Base for each year (Final Average Compensation), or

- The monthly average of Social Security taxable wage bases in effect for each of the 35 calendar years preceding your Social Security retirement age. In determining this amount, it is assumed the Social Security Wage Base for future years is the same as the taxable base in effect for the current year (Covered Compensation)

The length of service used in the ARP benefit calculation formulas is limited to 35 years in total.

Available Retirement Dates

To offer you flexibility in planning for retirement, the ARP provides you with a choice of retirement dates:

If You Were Hired January 1, 2004 or Later

Normal Retirement:

You may elect Normal Retirement on the last day of the month in which your 65th birthday occurs.

Late Retirement

If you continue to work after age 65, you will elect Late Retirement on the last day of the month in which you actually retire.

Early Retirement

You may elect Early Retirement on the last day of any month after you have reached age 55, provided you have completed at least 10 years of Seniority Service. The benefit amount for service after January 1, 2004 is reduced by 5 percent for each year payments are made before age 62.

If You Were Hired Before January 1, 2004

Normal Retirement

You may elect Normal Retirement on the last day of the month in which your 65th birthday occurs.

Late Retirement

If you continue to work after age 65, you will elect Late Retirement on the last day of the month in which you actually retire.

Early Retirement

You may elect Early Retirement on the last day of any month after you have reached age 50, provided you have completed at least 10 years of Seniority Service.

If you do not have 10 years of Seniority Service, you may instead elect Early Retirement on the last day of any month after you have reached age 55 if your age plus your years of Benefit Service total 70 or more.

Benefit Reductions for Early Retirement

- Under Formula 1, your monthly benefit will be reduced for Early Retirement by 1/4 of one percent for each month (or 3 percent for each year) for which plan benefits are paid before age 62, and
- Under Formula 2, Part A will be reduced 3 percent for each year and Part B will be reduced 5 percent for each year that the benefit will be paid before age 62.

If you retiree before age 55, the benefit amount for service from January 1, 2004 and later is actuarially reduced for each year that payments are made before age 65. An actuarial reduction means the benefit payment for early commencement is reduced proportionally so that employees receiving benefits before age 65 receive roughly the same value as those who begin receiving payments at age 65. This calculation is complex and is based on mortality and interest rate assumptions; it is not a straight percentage.

For example, for an Early Retirement at age 54 approximately 40 percent of the benefit would be payable and for an Early Retirement at age 50 approximately 30 percent of the benefit would be payable. The current actuarial assumptions are available from Abbott upon request.

If you are eligible for Special or Early Special Retirement benefits as described on the following pages, but retire before age 55, your pension amount will be calculated as an Early Retirement rather than an Early Special Retirement.

Special Retirement

If you were a plan participant before age 36 and retire at or after age 55, you may be eligible to elect Special Retirement when your age plus your years of Seniority Service total 94 or more.

Your ARP benefit will be calculated under the same formulas that are used at normal retirement, but will be based on your final earnings and Seniority Service (rather than Benefit Service) as of your Special Retirement date.

If you elect to begin receiving plan payments before age 62, your monthly benefit will be reduced on service through December 31, 2003 as described below:

- Under Formula 1, no reduction in your pension is made for benefits payable before age 62, and
- Under Formula 2, Part A will be reduced by 1 ²/₃ percent for each year between ages 59 and 62 plus 2 ¹/₂ percent for each year between ages 55 and 59. Part B will be reduced 5 percent for each year the benefit will be paid before age 62.

Early Special Retirement

If you were a plan participant before age 36, and retire at or after age 55, you may be eligible to elect Early Special Retirement on the last day of any month after attaining age 55. To be eligible for Early Special Retirement, you must have a combination of age plus Seniority Service totaling 94 or more by age 65.

For example, if you were hired at age 34 and continue to earn Seniority Service, you could have 30 years of service at age 64. You are, therefore, eligible to elect Early Special Retirement from age 55 through 63, or Special Retirement at or after age 64.

Your plan benefits will be calculated under the same formulas that are used at Normal Retirement, but will be based on your final earnings and Seniority Service (rather than Benefit Service) as of your Early Special Retirement date.

If you elect to begin receiving plan payments before age 62, your monthly benefit will be reduced on service through December 31, 2003 as described below:

- Under Formula 1, your monthly benefit will be reduced by 1/4 of 1 percent for each month (3 percent for each year) for which plan benefits are payable before your Special Retirement date or age 62, whichever is earlier, and
- Under Formula 2, Part A will be reduced by 1²/₃ percent for each year between ages 59 and 62, plus 2¹/₂ percent for each year between ages 55 and 59. Part B will be reduced 5 percent for each year the benefit will be paid before age 62.

If You Retire Before Age 55

If you are eligible for Special or Early Special Retirement benefits but retire before age 55, your pension amount will be calculated as an Early Retirement rather than an Early Special Retirement. You could, therefore, receive a substantially lower monthly benefit than if you had waited until age 55.

Deferral of Retirement Benefits

If you elect to retire before your Normal Retirement date, you may defer receiving your plan payments until the last day of any month up to your Normal Retirement date. If you begin receiving your monthly benefit at or after age 62, no age reduction will be taken. You will not, however, continue to accrue Benefit Service or Seniority Service after your last day of work. Your monthly benefit will be reduced for any period during which the preretirement surviving spouse's pension benefit was in effect.

Sample ARP Benefit Calculation

Here's an example of how your monthly benefit is calculated if you have service both before and after December 31, 2003.

Assumptions

- 1. You are 40 years old
- 2. You are married
- 3. You have 10 years of service at the end of 2003
- 4. Your current salary is \$35,000
- 5. You retire at age 60
- 6. Your pay will grow at 2 percent per year

Your service through December 31, 2003, will be calculated using Formulas 1 and 2. Your service after December 31, 2003 will be calculated using the 01/01/2004 Formula.

Your projected Final Earnings (FAP) at the end of 2023 are \$4,167. You will have 10 years of service through December 31, 2003 and 20 years of service after December 31, 2003.

Sample ARP Benefit Calculation

Service Through December 31. 2003

Formula 1

\$4,167 x 1.10% x 10 = \$458

Formula 2

a) \$4,167 x 1.65% x 10 = \$688 b) \$4,250 x 0.50% x 10 = \$213 \$688 - \$213 = **\$475**

Formula 2 provides the higher benefit

Formula 2 Reduced for Early Retirement

a) \$688 x 0.96806 = \$666 b) \$213 x 0.90417 = \$193 \$666 - \$193 = \$473

Reduced for PRSSPB

\$473 x 0.96500 = **\$456**

Service From January 1. 2004

\$4,167 x 1.10% x 20 = \$917

01/01/2004 Formula Reduced for Early Retirement

\$917 x 0.90417 = **\$829**

Reduced for PRSSPB

N/A

Final Calculation

Service Through December 31, 2003 Formula Results:	\$ 456
plus	
Service From January 1, 2004 and Later Formula Results:	\$ 829
equals	
Monthly Benefit:	\$1,285

The results shown are for a single life annuity. This example assumes continuous service through the retirement date shown. Salary projections assume a 2 percent increase per year.

Your actual benefit amount will depend on many variables, including your actual earnings, years of service, age at retirement, years of service before and after December 31, 2003, marital status and payment option selected.

Payment of Benefits

In general, you will receive your first check at the end of the month following the month you retire (or elect to receive your deferred vested pension). You may, however, elect to defer receipt of your pension payments if you leave Abbott before age 65. For more information about payment options available under the ARP, sign into your account at <u>www.abbottbenefits.com</u> or contact the **Abbott Benefits Center** at **(844) 306-9222**.

Normal Forms of Payment

Shortly before you retire, you will be asked to elect a form of payment for your retirement benefits. Once your monthly payments begin, you may not change your election. All monthly forms of payment provide a lifetime payment for you. Some forms of payment may continue to provide a payment to your surviving spouse or a beneficiary of your choice upon your death.

Single Employees

The normal form of payment, if you are not married when payments begin, is a single life annuity. Under this payment option, you receive monthly payments from the ARP for life. After your death, no benefits are paid to anyone else. This option provides you with the highest monthly benefit because there is no benefit guarantee period.

Married Employees

The normal form of payment for a participant who is married when benefits begin is a 50 percent joint and survivor annuity. Under this option, you receive monthly payments from the ARP for life. After your death, the plan pays 50 percent of your monthly benefit to your surviving spouse for the rest of his or her life. Survivor benefits apply only to the spouse to whom you were married at the time your payments begin. If he or she dies before you, no survivor benefits will be paid from the ARP. If you remarry, your new spouse will not be eligible for plan benefits.

Your monthly ARP benefit under this option is permanently reduced to reflect the fact that benefits are payable during both your and your spouse's lifetimes. The amount of the reduction is determined by your age and your spouse's age at the time benefit payments begin.

Optional Forms of Payment

In addition to the normal forms of payment (single life annuity for unmarried participants and 50 percent joint and survivor annuity for married participants) the ARP offers a range of additional optional forms of payment. These optional forms support a range of personal situations and needs.

Joint and Survivor Annuity Options:

The following additional Joint and Survivor Annuity Options are available:

- 75 percent Joint and Survivor Annuity
- 100 percent Joint and Survivor Annuity

Under these payment options, you receive monthly payments from the ARP for life. After your death, your surviving spouse will receive75 percent or 100 percent of your monthly benefit (depending on which option is elected) for the rest of his or her life. These survivor benefits apply only to the spouse to whom you are married at the time your payments begin. If he or she dies before you do, no survivor benefits will be paid from the ARP. If you remarry, your new spouse will not be eligible for plan benefits.

Your monthly ARP benefit under this option is permanently reduced to reflect the fact that benefits are payable during both your and your spouse's lifetimes. The amount of the reduction is determined by your age and your spouse's age at the time benefit payments begin and the percentage of your benefit you elected to be continued to your spouse after your death.

Certain and Life Annuity Options:

Under these payment options, you receive monthly payments from the ARP for life. If you die during the guarantee period, your monthly benefit will be paid to your named beneficiary for the remainder of the guarantee period. Once the guarantee period ends, no additional benefits are payable to a beneficiary.

The following Certain and Life Annuity Options are available:

- 10-Year Certain and Life Annuity
- 15-Year Certain and Life Annuity.

Your monthly ARP benefit under this option is permanently reduced to reflect the fact that benefits are guaranteed for a period certain. The amount of the reduction is determined by your age at the time the payments begin, and the length of the guarantee period.

You may name any person or persons as your beneficiary under the Certain and Life options. If you are married at the time payments begin, however, you will need your spouse's written consent (witnessed by a notary public) before selecting a payment option other than a joint and survivor annuity. This consent must be filed with the **Abbott Benefits Center** before your plan payments begin.

Certain and Life Annuity Example

If you elect the 10-Year Certain and Life Annuity and:

- You die in seven years, the monthly benefit is payable to you for those seven years and to your beneficiary for the remaining three years, or
- If you die after 12 years, the monthly benefit is payable to you for those 12 years; after you die there are no benefits payable.

Level Income Option

A level income option is available if you retire before age 62. If you elect the level income option with a single life annuity, your monthly benefit at retirement is temporarily increased. It assumes your Social Security benefit begins at age 62. When you reach age 62, your monthly benefit payment from the ARP will be reduced to reflect the advance payment period. You will continue to receive the reduced pension for the rest of your life.

You may also choose a level income option with a 50 percent, 75 percent or 100 percent joint and survivor annuity. If you choose this option, your spouse will receive the appropriate percentage of the amount you would have received.

If you are married at the time benefits begin, you will need your spouse's written consent (witnessed by a notary public) to elect any payment option other than a joint and survivor annuity. This consent must be filed with the **Abbott Benefits Center** before your plan payments begin.

Here is an example of how monthly income might look for an employee currently age 58.

If you don't elect the Level Income Option:	¢1.000/manth
Your age 58, Single Life Annuity=	\$1,800/month
Your age 62 projected Social security benefit=	\$1,250/month (approx.)
If you elect the Level Income Option:	
a. Before age 62, your ARP payment=	\$2,750/month
b. At age 62 and after, your ARP payment=	\$1,500/month
plus	
Your age 62 projected Social security benefit=	\$1,250/month approx.)
Total=	\$2,750/month

Lump Sum Payment

You may elect a lump sum distribution of your plan benefit in lieu of a monthly pension if the present value of your ARP benefit at the time of your termination is less than \$25,000. If you are married at the time of your termination, however, you must have your spouse's written consent (witnessed by a notary public) to elect a lump sum distribution.

Active Employees Attaining Age 70 1/2

If you are still an active employee at age 70 ½, you have an option to begin receiving your plan benefits while you are still employed. If you choose to elect your benefits and retire at a later date, your retirement benefit will be reduced by the amount you have already received. If you are interested in receiving your benefit, you must contact the **Abbott Benefits Center**.

Termination of Employment

If your employment terminates for any reason other than disability or retirement and you have not completed five years of Vesting Service, you will not receive any benefits from the ARP.

Vested Benefits

If your employment with Abbott terminates for any reason before you are eligible for retirement but after you have completed five years of Vesting Service, you may be eligible to receive a lump sum payment of your benefit or a deferred vested benefit from the plan, depending on the present value of your benefit. If you leave Abbott and are entitled to a benefit, you need to keep Abbott informed of your current mailing address. In the event of your death, your benefit will be paid to your surviving spouse or any other person to whom benefits may become payable.

Lump Sum Payment of Vested Benefits

If the present value of your ARP benefit at termination is \$1,000 or less, your benefit will be paid in one lump sum payment. You may have your payment paid directly to you or rolled over to another qualified plan or IRA. If you do not return your distribution paper work within 45 days, your benefit will be paid directly to you.

If the present value of your ARP benefit at termination is \$1,001 to \$25,000, you may choose a lump sum distribution of your plan benefit, an immediate vested monthly pension in the form of a single life or qualified joint and survivor annuity or a deferred vested benefit. If you are married at the time of your termination, you must have your spouse's written consent (witnessed by a notary public) to elect a lump sum distribution or single life annuity. If you elect a lump sum distribution you forfeit the opportunity for future Abbott retirement benefits including eligibility for retiree health and life insurance. Once made, this election cannot be changed.

If the present value of your ARP benefit at termination is \$25,000 or more or if you are eligible for any form of retirement under the plan, you are not eligible for a lump sum distribution.

Deferred Vested Benefits

If the present value of your ARP benefit at the time of your termination is \$25,000 or more, you will receive a deferred vested benefit from the plan based on your Final Earnings and Benefit Service as of the date your employment terminates.

Deferred payments usually begin on your Normal Retirement date (the last day of the month in which you reach age 65), but you may elect to begin receiving your payments earlier.

- If your hire date is before January 1, 2004, you are eligible to retire and receive benefits as early as the last day of the month in which you reach age 50, if you have at least 10 years of Vesting Service. If you have less than 10 years of Vesting Service, your plan payments may not begin until the last day of the month in which you reach age 55. If you elect to begin receiving payments before age 65, your monthly benefit will be actuarially reduced to reflect the longer payment period (usually a reduction of at least six percent for each year benefits are paid before age 65).
- If your hire date is on or after January 1, 2004, you are eligible to retire and receive benefits as early as the last day of the month in which you reach age 55, if you have at least 10 years of Vesting Service. If you elect to begin receiving payments before age 65, your monthly benefit will be actuarially reduced to reflect the longer payment period (usually a reduction of at least six percent for each year benefits are paid before age 65).

Termination Due to Disability

If your employment with Abbott terminates due to a medical leave of absence (MLOA) and you are eligible for payments from the Abbott Laboratories Long-term Disability Plan (LTD), your ARP participation and service credit will continue automatically. In the event that the present value of your age 65 benefits from the plan at the time of your termination is less than \$25,000. you may elect to receive a distribution from the plan. If you elect a distribution, you will forfeit all other benefits under the ARP. Once the distribution is made, this election cannot be changed. If you elect a lump sum distribution you forfeit the opportunity for a future Abbott retirement benefits including eligibility for retiree health and life insurance.

If you become eligible for any form of retirement while you are disabled and earning service under the ARP, you may elect to retire and begin receiving your ARP plan benefits. You cannot receive ARP and LTD payments at the same time. Once you elect to begin receiving ARP monthly payments, your election cannot be changed.

Your monthly payment will be calculated using the formulas described earlier in this section, your Final Earnings (as of the day before your LTD benefits began) and your Benefit Service or Seniority Service, including your period of disability.

If you are eligible to continue to receive LTD benefits beyond age 65, your ARP payments will not begin until your LTD benefits stop, or until you elect retirement, if sooner.

If Your LTD Eligibility Ends

If your LTD eligibility ends, you will not continue to accrue service under the ARP. If, at that time, you are eligible for any form of retirement, you may elect to begin receiving ARP payments. If you are not eligible for retirement, but satisfy the vesting provisions described previously, those provisions will apply. If you are not eligible for a vested benefit under the ARP, you will not receive any benefits from this plan.

Reemployment (Rehires)

If you leave Abbott and are later reemployed, you may be eligible for reinstatement of your past service — to be used in determining your plan rights and benefits. You are eligible for reinstatement of your past service under the ARP under the following circumstances:

- If you were vested at the time of your termination, your prior service will be restored, for all
 purposes of the ARP, upon your reemployment with Abbott. However, if at the time of your
 termination, you received the value of your pension in a lump sum, you will receive past service
 credit for vesting purposes only,
- Your prior service will be restored for all purposes of the ARP if Abbott reemploys you within 60 months following your termination date. For terminations that occurred after 1984 but before 1987, you must have been reemployed before the end of the fifth calendar year following the year of your termination to have your prior service restored,
- If Abbott reemploys you within 12 months after your termination date, your prior service will be
 restored for all purposes of the ARP and you will receive vesting credit for the period you were
 gone (terminations after 1986 only). However, if at the time of your termination, you received the
 value of your pension in a lump sum, you will receive past service credit for vesting purposes
 only, or
- Reinstatement of service before October 1, 1989 is contingent in all cases on your repayment (with interest) of any distribution of contributions you received from the plan. This repayment must be made before the date you incur five consecutive one-year breaks in service or the fifth anniversary of your reemployment date.

A one-year break in service is equal to 12 consecutive months after your termination during which Abbott does not employ you. For periods before January 1, 1987, a one-year break in service is any calendar year in which you completed less than 500 hours of service with Abbott.

If Abbott reemploys you more than 60 months after your termination date and you were not vested or eligible for retirement at the time of your termination, you are not eligible to have your prior service restored.

Reemployment after Plan Benefits Begin

If you are receiving monthly payments from the ARP or the Abbott AbbVie Multiple Employer Pension Plan (MEPP) and Abbott reemploys you, your plan benefits will be suspended during your reemployment. When you subsequently retire, your plan benefits will be determined under the plan provisions in effect at that time and actuarially adjusted to reflect the benefits already paid to you.

Reemployment after an Acquisition, Spin-off or Divestiture

If you are rehired after you were part of an acquisition, spin-off or divestiture, there may be special considerations to determine if you are eligible for reinstatement of your prior service. Please contact the **Abbott Benefits Center** for more information.

Death Benefits

Preretirement Surviving Spouse's Pension Benefit (PRSSPB)

The ARP automatically provides benefits for your surviving spouse if you have been legally married for at least one year and if you die after you have vested but before you have begun receiving benefits under the plan. The preretirement surviving spouse's pension benefit (PRSSPB) protection is provided during your active employment and after you leave Abbott but before your plan payments begin, as long as you do not waive it.

Benefit Amount

- If you die while actively employed and you have a vested benefit under the pension plan, your surviving spouse will receive the 100 percent joint and survivor life annuity form of benefit that you would have received if you had retired on the date of your death.
- If you die after you have separated from employment but before benefits have begun and have a vested benefit under the pension plan, your surviving spouse will receive 50 percent of the vested benefit you had accrued as of the date of your death.

Cost of Coverage

- Abbott will pay the cost of PRSSPB protection on benefits calculated under the 1/01/2004 Formula.
- The cost of PRSSPB protection for ARP benefits calculated using formulas in effect before January 1, 2004 is paid through a reduction in the monthly benefits payable to you and/or your spouse from the ARP. The amount of the reduction is based on your age and employment status during the period coverage is in effect, shown in the chart on the following page.

PRSSPB — Applicable to Formulas for Service Before January 1, 2004

For Coverage	Reduction for Active Employees	Reduction for Terminated Employees
	For each full year coverage is in effect during your active employ- ment or after you have retired but before benefits have begun	For each full year that coverage is in effect after your employment has terminated (before your retirement date) and before benefits have begun
Before age 45	No reduction applies	1/10 of 1%
		(1/120 of 1% for each month)
Between ages 45 and 55	1/10 of 1%	2/5 of 1%
	(1/120 of 1% for each month)	(1/30 of 1% for each month)
After age 55	1 /2 of 1% (1/24 of 1% for each month)	8 /10 of 1% (1/15 of 1% for each month)

If a married participant becomes vested at age 35 and continues to work until age 65, the preretirement surviving spouse's pension benefit (PRSSPB) would have protected his or her pension during a 30-year period.

For benefits calculated using the formulas in effect before January 1, 2004, the cost for this protection will be reflected in a reduction in the retirement benefit payable under the plan, as follows:

٠	Before age 45	no reduction
٠	Between ages 45 and 55 (1/10 of 1% x 10 years)	1% reduction
•	Between ages 55 and 65 (1/2 of 1% x 10 years)	5% reduction
٠	Total cost of coverage	6% reduction

Waiver of PRSSPB Coverage

With your spouse's written and formally notarized consent, you may waive PRSSPB coverage at any time during or after the calendar year in which you reach age 45 or before your employment terminates, if earlier. You may reinstate this benefit coverage on any date before ARP benefits begin.

If you waive PRSSPB protection and you die before you retire, the only benefit your spouse may receive from the ARP will be the lump-sum payment described on the next page.

Other Death Benefits

Before Plan Payments Have Begun

If you do not qualify for the PRSSPB feature, you die before plan payments have begun, and you made contributions to the ARP, your ARP beneficiary will receive the greater of 150 percent of your plan contributions or your plan contributions plus interest.

Interest is defined as the greater of:

- \$0.50 for each \$1.00 you contributed, or
- 5 percent interest compounded annually through 1987 and thereafter at a rate determined by federal law.

After Plan Payments Have Begun

If you die after plan payments have begun, benefits may be payable after your death, depending on the payment method you elected at retirement. Regardless of the payment method you elected, however, if the total amount of the plan benefits paid to you (or payable on your behalf) is less than your own contributions (plus interest, as defined above), the difference will be paid to your ARP beneficiary in a lump sum.

Requests for Benefit Estimates

You are entitled to receive, free of charge, a statement telling you the date you will become vested. If you already have vested, you are entitled to a statement telling you what your benefits would be at normal retirement age if you stopped working now (accrued value of your benefit).

Retirement requests or estimates of future retirement benefits are typically processed within 30 days after the date submitted. If this 30-day limit cannot be met, you will be notified in writing of the estimated additional time needed.

Self Service: Benefit Estimates Online²⁴

The ARP's online retirement planning system allows you to estimate your ARP benefits and project your retirement income instantly. You may compare benefits at various retirement dates and store your calculations for future reference. You can access to your personalized ARP information and related tools through the myHR portal with your myHR personal identification number (PIN) or through the **Abbott Benefits Center** website at **www.abbottbenefits.com**. Please note that you will need your **Abbott Benefits Center** password.

²⁴ All estimates are based on assumptions and current available data. Actual Abbott benefits will be calculated at the time of benefit commencement.

Procedure to Obtain Benefits

To receive plan benefits, login to the plan Web site through the myHR portal or at www.abbottbenefits.com. To start pension benefits you will need to review your personal information, enter your desired last day of employment, choose a date to begin receiving benefits and enter any necessary beneficiary information.

You can complete the entire retirement process online without having to return any forms to the **Abbott Benefits Center** provided you elect a form of payment that does not require spousal consent. If spousal consent is required, you will be provided with a form that your spouse needs to sign in the presence of a notary and return to the **Abbott Benefits Center**. You may also request a paper retirement kit by contacting the **Abbott Benefits Center**. The kit will require that you sign and return the Pension Authorization form in order for your payments to begin.

Right of Recovery

Abbott has the right to recover Benefits it has paid on you or your dependent's behalf that were:

- Paid in error
- Due to a mistake in fact, or due to a misrepresentation of facts

If the plan provides a benefit for you or your dependent that exceeds the amount that should have been paid, the plan will require that the overpayment be returned when requested, or reduce a future benefit payment for you or your dependent by the amount of the overpayment.

Loss of Benefits

The ARP became a noncontributory pension plan on October 1, 1989. This means that at October 1, 1989 employees were no longer required to contribute to the plan to be eligible to receive a benefit from the plan at retirement or termination. If you waived participation in the ARP before October 1, 1989, you will not receive Benefit Service for that period.

If you permanently leave Abbott before age 65 and before you complete five years of Vesting Service, you will not receive any benefits from the ARP.

Assignment or Alienation of Benefits

The assignment or alienation of any benefits provided by the ARP will not be permitted, except as required by law. This means that your benefits under the ARP cannot be sold, pledged as collateral or transferred — voluntarily or involuntarily — except as required by law. In case of a qualified domestic relations order (QDRO), however, plan benefits may be payable to someone other than you or your designated beneficiary, even while you are still working. A QDRO is a court order providing for child support, alimony or marital property rights to a spouse, former spouse, child or other dependent, in accordance with a state domestic relations law.

Pension Benefit Guaranty Corporation (PBGC)

The Pension Benefit Guaranty Corporation (PBGC) insures certain benefits under the Abbott Laboratories Annuity Retirement Plan if the plan terminates. Generally, the PBGC guarantees most vested Normal Retirement benefits, Early Retirement benefits and certain disability and survivors' pensions. The PBGC does not, however, guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. If benefits have been increased within five years before plan termination, however, the benefit increase may not be guaranteed. In addition, there is a limit (adjusted periodically) on the amount of monthly benefit that the PBGC guarantees. For more information on PBGC insurance protection and its limitations, contact the Plan Administrator or the PBGC.

Inquiries to the PBGC should be addressed to: PBGC, 1200 K Street, NW, Washington DC 20005-4026 or call **(800)** 400-7242.

Administrative Information

Plan Identification

The name of the plan is the Abbott Laboratories Annuity Retirement Plan. Abbott is the Plan Sponsor. The Divisional Vice President, Compensation and Benefits, is the Plan Administrator. Plan records are kept on a calendar-year basis starting on January 1 and ending on December 31.

This plan is considered a defined benefit plan under the Employee Retirement Income Security Act of 1974 (ERISA) and is identified under Internal Revenue Service (IRS) rules by the following:

- Employer Identification Number (EIN) assigned by the IRS: 36-0698440
- Plan Number assigned by Abbott: 333

Plan Funding

Benefits under the plan are provided through a trust fund. Abbott funds the plan through contributions made on behalf of plan participants. Company contributions are actuarially determined. The Retirement Plans Investment Board is responsible for the investments of the ARP.

The Plan Trustee and other investment firms, appointed by the Investment Board, invest ARP funds on behalf of the plan.

Plan Trustee

All contributions are held in trust. The Plan Trustee is the Northern Trust Company, 801 S. Canal, Chicago, IL 60607. The Plan Trustee pays benefits under the plan out of the trust.

Participating Employers

The Abbott Laboratories Annuity Retirement Plan applies to eligible employees of Abbott Laboratories and its participating subsidiaries.

Plan Changes

Abbott intends to continue the Annuity Retirement Plan indefinitely, but reserves the right, by appropriate action of the Board of Directors or the Abbott Laboratories Board of Review as set out in the Plan, to change it at any time.

Abbott's decision to change or end the plan may be due to changes in federal or state laws governing retirement benefits, the requirements of the Internal Revenue Code or ERISA or any other reason. A plan change may transfer assets and debts to another plan or split a plan into two or more parts. If Abbott does make a change or ends the plan, it may decide to set up a different plan providing similar or identical benefits. If the plan is ended, you will have no further rights under the plan other than the payment of benefits accrued before the plan was terminated. Abbott, in accordance with applicable legal requirements, will determine the amount and form of any final benefit you receive.

Once your accrued benefits have been determined, that amount may be paid in the form of one or more cash payments or an insurance company annuity contract that pays you a monthly income. Law may set the exact form of payment. If there is a choice, the Plan Administrator will decide the type and timing of payment.

After all benefits have been paid and other legal requirements are met, any remaining plan assets will be, at the sole discretion of Abbott, either used to purchase benefits or distributed to plan participants in accordance with legal requirements.

Coverage under the ARP is not a guarantee of employment.

Legal Service

Process can be served on the Plan Administrator by directing such legal service to the Divisional Vice President, Benefits, Abbott Laboratories, 100 Abbott Park Road, Abbott Park, IL 60064-6222