



Invitation to the Annual General Meeting  
of Shareholders of ABB Ltd, Zurich  
Wednesday, April 30, 2014, at 10:00 a.m.

Power and productivity  
for a better world™





# Invitation

The **Annual General Meeting of ABB Ltd** will be held on **Wednesday, April 30, 2014, at 10:00 a.m.** (doors open at 8:30 a.m.) at the Messe Zurich hall, Wallisellenstrasse 49, in Zurich-Oerlikon, Switzerland.

We would like to invite our shareholders for coffee and breakfast before the meeting.

# Agenda

The Board of Directors of ABB Ltd submits the following **agenda and proposals** to the Annual General Meeting for discussion and decision:

## 1. Reporting for fiscal year 2013

- Annual report and consolidated financial statements
- Annual financial statements
- Auditors' reports

### 2.1 Approval of the annual report, the consolidated financial statements, and the annual financial statements for 2013

The Board of Directors **proposes** that the annual report, the consolidated financial statements, and the annual financial statements for 2013 be approved.

### 2.2 Consultative vote on the 2013 remuneration report

The Board of Directors **proposes** that the remuneration report as per pages 47–59 of the annual report be accepted (non-binding consultative vote).

Explanation: The remuneration report contains the principles governing the remuneration paid to the Board of Directors and the Executive Committee and reports on the amounts paid to the members of both bodies in 2013.

## 3. Discharge of the Board of Directors and the persons entrusted with management

The Board of Directors **proposes** that the members of the Board of Directors and the persons entrusted with management be granted discharge for fiscal year 2013.

#### 4. Appropriation of available earnings and distribution of capital contribution reserve

Net income for 2013	CHF	607,053,384
Carried forward from previous year	CHF	4,470,698,360
<b>Total earnings available to the Annual General Meeting</b>	<b>CHF</b>	<b>5,077,751,744</b>

The Board of Directors **proposes**

- a) to carry forward the 2013 total available earnings; and
- b) to convert capital contribution reserve to other reserves in the amount of CHF 0.70 per share and to distribute a dividend for the fiscal year 2013 of CHF 0.70 per share, based on a maximum of 2,314,743,264 dividend paying shares\*.

\* The amount payable as a dividend out of capital contribution reserve will be determined on the basis of the shares entitled to a dividend and will be adjusted accordingly. The total amount to be paid may not exceed CHF 1,620,320,284.80.

In deciding on the distribution of a dividend, the Annual General Meeting shall take into account that ABB Ltd will pay dividends only on shares that do not participate in the dividend access facility as per art. 8 of the Articles of Incorporation and on shares that are not held by ABB Ltd and its affiliates. Shareholders who are resident in Sweden and participate in the established dividend access facility will receive an amount in Swedish kronor from ABB Norden Holding AB that corresponds to the dividend resolved on a registered share of ABB Ltd. This amount is subject to taxation according to Swedish law. The first trading day ex-dividend is expected to be May 5, 2014, and the payout date in Switzerland is expected to be May 8, 2014.

Explanation: The 2013 total available earnings shall be carried forward. Instead of a distribution out of available earnings, the Board of Directors proposes the distribution of a dividend out of capital contribution reserve in the amount of CHF 0.70 per share. The dividend from the capital contribution reserve is paid out without deduction of Swiss withholding tax.

## 5. Creation of additional contingent share capital in connection with employee participation

The Board of Directors **proposes** to create additional contingent share capital in an amount not to exceed CHF 57,640,036 enabling the issuance of up to 55,961,200 additional ABB Ltd shares with a nominal value of CHF 1.03 each in connection with employee participation by amending article 4<sup>bis</sup> para. 4 of the Articles of Incorporation to read as follows (the proposed amendments are in italics):

### Article 4<sup>bis</sup> – Contingent Share Capital

- 4 The share capital may be increased in an amount not to exceed *CHF 154,500,000* through the issuance of up to *150,000,000* fully paid registered shares with a par value of CHF 1.03 per share by the issuance of new shares to employees of the Company and group companies. The pre-emptive and advance subscription rights of the shareholders of the Company shall thereby be excluded. The shares or rights to subscribe for shares shall be issued to employees pursuant to one or more regulations to be issued by the Board of Directors, taking into account performance, functions, levels of responsibility and profitability criteria. Shares or subscription rights may be issued to employees at a price lower than that quoted on the stock exchange.

Explanation: Pursuant to the existing article 4<sup>bis</sup> para. 4 of the Articles of Incorporation, the Board of Directors may increase the share capital by no more than CHF 96,859,964 through the issuance of up to 94,038,800 shares with a nominal value of CHF 1.03 each. The proposed additional contingent share capital is intended to restore ABB's financial flexibility following the continued use of contingent capital in connection with ABB's Employee Share Acquisition Plan (available for ABB employees generally), Management Incentive Plan (available for senior managers other than Executive Committee members), and Long Term Incentive Plan (available for some senior managers as well as for Executive Committee members). In 2013, the proportion of the shares related to grants under each of these plans was approximately 20% for the Employee Share Acquisition Plan, 75% for the Management Incentive Plan and 5% for the Long term Incentive Plan.

## 6. Revision of the Articles of Incorporation

The Board of Directors **proposes** to revise the Articles of Incorporation according to the proposed changes published in the Swiss Official Gazette of Commerce (SOGC).

Explanation: The adaptation to the Ordinance against Excessive Compensation in Listed Stock Companies and other changes in Swiss corporate law require various amendments to the Articles of Incorporation. A detailed overview of the current and the proposed provisions can be found in the annex to this invitation. The revised Articles of Incorporation are also available on the Internet at [www.abb.com/investorrelations](http://www.abb.com/investorrelations).

## 7. Elections to the Board of Directors and election of the Chairman of the Board of Directors

The term of office for all members of the Board of Directors expires at the Annual General Meeting on April 30, 2014.

All current members stand for re-election, except for Hans-Ulrich Maerki. In addition, the Board of Directors proposes to elect Matti Alahuhta as new member to the Board. Accordingly, the Board of Directors **proposes** the re-election/election of

- Roger Agnelli, Brazilian, as Director
- Matti Alahuhta, Finnish, as Director
- Louis R. Hughes, American, as Director
- Michel de Rosen, French, as Director
- Michael Treschow, Swedish, as Director
- Jacob Wallenberg, Swedish, as Director
- Ying Yeh, Chinese, as Director
- Hubertus von Grünberg, German, as Director and Chairman

to the Board for a term of office of one year extending until completion of the ordinary Annual General Meeting 2015.

The election of each person standing for election to the Board of Directors shall be effected on an individual basis.

Explanation: Pursuant to articles 3, 4 and 29 of the Ordinance against Excessive Compensation in Listed Stock Companies, as from the Annual General Meeting 2014, the Annual General Meeting elects each member of the Board of Directors and the Chairman of the Board of Directors individually each year.

## 8. Election to the Compensation Committee

The Board of Directors **proposes** the election of

- Michel de Rosen
- Michael Treschow
- Ying Yeh

to the Compensation Committee for a term of office of one year extending until completion of the ordinary Annual General Meeting 2015.

The election of each person standing for election to the Compensation Committee shall be effected on an individual basis.

Explanation: Pursuant to articles 7 and 29 of the Ordinance against Excessive Compensation in Listed Stock Companies, as from the Annual General Meeting 2014, the Annual General Meeting elects each member of the Compensation Committee individually each year.

## 9. Election of the Independent Proxy

The Board of Directors **proposes** the election of

- Dr. Hans Zehnder, attorney-at-law and notary, Bahnhofplatz 1, 5401 Baden, Switzerland

as independent proxy for a term of office of one year extending until completion of the ordinary Annual General Meeting 2015.

Explanation: Pursuant to articles 8 and 30 of the Ordinance Against Excessive Compensation in Listed Stock Companies, as from the Annual General Meeting 2014 the Annual General Meeting elects the independent proxy until the conclusion of the next ordinary Annual General Meeting.

## 10. Re-election of the Auditors

The Board of Directors **proposes** that Ernst & Young AG be re-elected as auditors for fiscal year 2014.



# Documentation and attendance procedures

## Documentation

The **annual report** has been available to the shareholders for examination since March 28, 2014, at the company's head office in Zurich-Oerlikon as well as in Sweden at ABB, Kopparbergsvägen 2, Västerås. The invitation including the agenda and the proposals of the Board of Directors will be mailed directly to holders of registered shares with the right to vote. Annual reports will be mailed on request. The annual report is also available on the Internet via [www.abb.com](http://www.abb.com).

## Registration and admission cards

Shareholders entered in the share register, with the right to vote, by **April 22, 2014**, are entitled to participate in the Annual General Meeting. Shareholders registered by April 22, 2014, will receive their admission cards (by priority mail) on request using the reply form enclosed with the invitation. The reply form or a corresponding notification must reach the company not later than **April 24, 2014**. Reply forms or notifications arriving after that date will not be taken into consideration.

## No trading restrictions on ABB shares

The entry of shareholders with the right to vote in ABB's share register does not affect the trading of ABB shares held by such shareholders before, during or after the Annual General Meeting.

## Proxies

If you cannot attend our Annual General Meeting in person, you may arrange to be represented by:

a) another shareholder with the right to vote; or

b) the independent proxy

You can authorize Dr. Hans Zehnder, attorney-at-law and notary, Bahnhofplatz 1, 5401 Baden, Switzerland, to act as your representative. Dr. Zehnder votes as instructed.

### Electronic authorizations and instructions to the independent proxy

Shareholders may now cast their votes remotely at <https://abb.shapp.ch> by issuing electronic authorizations and instructions to the independent proxy. The requisite login data is enclosed with the meeting materials supplied to shareholders. Shareholders thus have the option of voting in person, through a proxy, or remotely by issuing electronic authorizations and instructions to the independent proxy. Shareholders may vote by **remote electronic ballot**, or change any instructions they may have communicated electronically, up to but no later than **11:59 p.m. on April 28, 2014**. Shareholders who have exercised their right to vote at a General Meeting by remote electronic ballot are not then permitted to attend the General Meeting in person. For further information please refer to the enclosed e-voting fact sheet.

### Translation

The Annual General Meeting will be conducted principally in German. Translation into English and French will be available.

### Transmission

The Annual General Meeting will be broadcast on the Internet via [www.abb.com](http://www.abb.com).

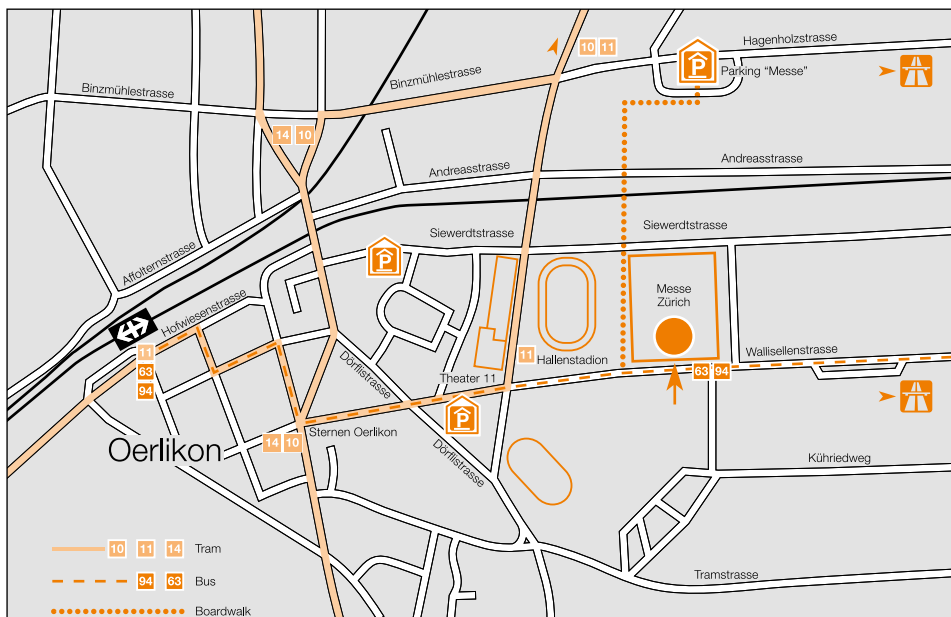
A record of the **decisions** taken by the Annual General Meeting will be available for inspection shortly after the Annual General Meeting at the Company's head office in Zurich-Oerlikon, Switzerland, and will be published on ABB's website [www.abb.com](http://www.abb.com).

8050 Zurich, Switzerland, April 1, 2014

Yours sincerely

For the Board of Directors of  
**ABB Ltd**

**Hubertus von Grünberg, Chairman**



### Notes for participants

Shareholders are asked to use public transport as there will be limited parking facilities at the meeting location **Messe Zürich**.

### Public transport

Train to Zurich main station. Then tram No. 11 to **Messe/Hallenstadion**.

Or **train to Zurich-Oerlikon station**. Then tram No. 11 or bus No. 63 or 94 to **Messe/Hallenstadion**.

On foot: about 10 minutes' walk from Zurich-Oerlikon station to Messe Zürich.

# Annex to Agenda Item 6

(Revision of the Articles of Incorporation)

# I. Report of the Board of Directors on the Revision to the Articles of Incorporation

## 1. Preliminary Remarks

On March 3, 2013, the Swiss people approved the “Minder” initiative and thereby amended the Swiss Federal Constitution. Implementing this provision, the Swiss Federal Council has enacted the Ordinance Against Excessive Compensation in Public Corporations (**Ordinance**). It came into force as of January 1, 2014, subject to certain transitional provisions.

The Ordinance extends the powers of the General Meeting of Shareholders (**General Meeting**) in relation to elections. Further, the General Meeting must approve the compensation of the Board of Directors and the Executive Committee in a binding vote. In addition, the Ordinance requires, among other things, the Articles of Incorporation to comprise provisions regarding (i) the basic principles of the powers and duties of the Compensation Committee, (ii) the basic principles of the compensation of the members of the Board of Directors and the Executive Committee, (iii) the number of permissible mandates of members of the Board of Directors and the Executive Committee outside the ABB Group, (iv) the duration and termination notice periods of their employment or similar agreements as well as (v) the maximum amount of credits to the members of the Board of Directors and the Executive Committee.

The Board of Directors therefore proposes to the Annual General Meeting 2014 a revision of the Articles of Incorporation to implement the requirements of the Ordinance. At the same time, a few other minor revisions are proposed due to changes to accounting laws and ABB's share register service provider, and to reflect the current voting procedure during the General Meeting.

This overview explains the main amendments. It is followed by a comparison of the revised provisions of the Articles of Incorporation as proposed and the current provisions of ABB's Articles of Incorporation. References in this overview refer to the renumbered Articles of Incorporation as proposed by the Board of Directors.

## **2. Elections of the Members of the Board of Directors, the Chairman of the Board of Directors, the Members of the Compensation Committee and the Independent Proxy**

The Ordinance requires the Annual General Meeting to elect the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee and the independent proxy. The election of the members of the Board of Directors and the Compensation Committee shall be held individually. The term of office is one year and extends until completion of the next Annual General Meeting, subject to resignation and removal. If the office of the Chairman is vacant, the Board of Directors shall appoint a substitute for a term of office extending until completion of the next Annual General Meeting. Similar provisions are proposed for vacancies on the Compensation Committee and if the Company should not have an independent proxy.

The proposed Art. 15 paras. 3 and 4, Art. 18 letter b as well as Arts. 21, 22 para. 1 and 29 implement these requirements.

## **3. Representation of Shareholders at the General Meeting**

Representation of shareholders at the General Meeting by depository institutions such as banks and by the company proxy are no longer permitted under the Ordinance. Shareholders may be represented by their legal representative, another shareholder (by written proxy) or the independent proxy (by written proxy or by electronic means).

The proposed Art. 15 para. 2 implements these requirements.

## **4. Compensation Committee**

Pursuant to the Ordinance, the Articles of Incorporation have to establish the main principles of the powers and duties of the Compensation Committee. The Board of Directors proposes in Art. 31 that the Compensation Committee shall continue to support the Board of Directors in establishing and reviewing the compensation strategy and in preparing the proposals of the Board of Directors regarding compensation to be submitted to the General Meeting. Further, the Board of Directors may, by means of regulations, delegate to the Compensation Committee the task to determine (i) the compensation of the directors and (ii) the compensation and/or performance metrics and target values of the Executive Committee members. The proposed Arts. 28 and 30 govern the number of members, the constitution and the organization of the Compensation Committee.

## 5. Compensation of the Board of Directors and the Executive Committee

The Ordinance further requires that the main principles of performance- and share-based compensation are determined in the Articles of Incorporation. The proposed Art. 33 allows ABB to continue to apply its performance-tied compensation system. At the same time, it allows the Company, within the limitations set forth in the Articles of Incorporation, to adjust its compensation system in view of evolving or new best practices. Directors are paid a fixed compensation, which takes into account position and level of responsibility of the recipient. Executives are paid fixed compensation elements (including the base salary) and variable compensation elements. Variable compensation elements may comprise short- and long-term variable compensation elements. Short-term variable compensation elements shall be governed by performance metrics that take into account the performance of the Company, the group or parts thereof, targets in relation to the market, other companies or comparable benchmarks and/or individual targets. Achievement of the performance metrics is generally measured during a one-year period. Long-term variable compensation elements shall be governed by performance metrics that take into account ABB's strategic and/or financial objectives as well as retention elements. Their achievement is generally measured during a period of several years. The total compensation of each executive shall take into account position and level of responsibility of the recipient.

The shareholders are required to approve annually the compensation of the Board of Directors and the Executive Committee. According to the proposed Art. 18 letter e and Art. 34, the maximum amount of compensation for the Board of Directors shall be approved for their following term of office. This ensures that the compensation period and the term of office correlate. The maximum amount of compensation of the Executive Committee shall be approved for the following financial year. This provides for appropriate planning certainty of both ABB and the executives. To the extent appropriate, the Board of Directors may submit deviating or additional proposals relating to the same or different periods for approval.

In the event the shareholders do not approve a proposed compensation amount, the Board of Directors shall, taking into account all relevant factors, reconsider its proposal, and submit a new proposal to a General Meeting. Instead of one new proposal, the Board of Directors may also submit several proposals relating to different compensation elements.

The first binding vote on the approval of the maximum amounts of compensation of the Board of Directors and the Executive Committee will be held at the Annual General Meeting 2015.

The Ordinance provides that the Articles of Incorporation may determine a “reserve” amount for the compensation of those executives who join the Executive Committee, or are being promoted within the Executive Committee, after the General Meeting has approved the maximum compensation. Out of this “reserve” amount, ABB may pay out the compensation of such Executive Committee members throughout the compensation periods already approved by the shareholders. The Board of Directors proposes in Art. 35 that the “reserve” amount per compensation period shall be limited to a total maximum aggregate amount of up to 30% of the Executive Committee compensation last approved by the General Meeting per compensation period.

As of the financial year 2014, the compensation actually paid within the maximum amounts approved by the General Meeting will have to be disclosed in a compensation report governed by the Ordinance instead of in the notes to the annual accounts as today. The compensation report has to be prepared by the Board of Directors, be audited and made available to shareholders for inspection. The proposed amendments to Art. 10 and Art. 25 para. 1 letter f implement this requirement.

## **6. Agreements relating to the compensation of members of the Board of Directors and the Executive Committee**

Agreements relating to the compensation of members of the Board of Directors and the Executive Committee may be entered for a fixed term not exceeding one year or for an indefinite term with a termination notice period of no more than one year. The Articles of Incorporation must determine the maximum term and the maximum termination notice period.

The proposed Art. 36 implements this requirement. It requires that the duration and termination of agreements with members of the Board of Directors shall comply with the term of office and the law. With regard to members of the Executive Committee, the proposed provision ensures that ABB may continue to protect itself from abrupt terminations by means of adequate termination notice periods. The provision further allows ABB to enter into non-compete agreements against appropriate consideration if such agreements are in the interest of the Company; their duration shall not exceed one year, and maximum consideration shall not exceed the last annual compensation.



## **7. Credits to Members of the Board of Directors and the Executive Committee**

The Ordinance requires that the Articles of Incorporation determine the amount of credits to be granted to members of the Board of Directors and the Executive Committee. In accordance with best corporate governance practices and ABB's current policy, the Board of Directors proposes in Art. 37 that no credits may be granted to members of the Board of Directors or the Executive Committee.

## **8. Mandates of Members of the Board of Directors and of the Executive Committee Outside the ABB Group**

The Ordinance further requires that the Articles of Incorporation determine the maximum number of mandates a member of the Board of Directors or the Executive Committee may hold in the supreme governing bodies of legal entities which are required to be registered in the Swiss Commercial Register or a comparable foreign register. Mandates in companies controlled by ABB are exempt by law from these limitations.

The Board of Directors proposes in Art. 38 that directors may hold no more than ten additional external mandates of which no more than four may be in listed companies. The mandates of members of the Executive Committee are limited to five mandates of which only one mandate may be in a listed company. These limitations are to ensure that the members of the Board of Directors and the Executive Committee have sufficient time to dedicate to their office with ABB. Further, members of the Board of Directors and the Executive Committee may hold a limited number of mandates in companies at the request of ABB (e.g., in non-controlled joint ventures) or in charitable organizations, foundations, associations, educational institutions, non-profit institutions etc. This provision will come into force following the Annual General Meeting 2015.

Irrespective of these limitations, each director and Executive Committee member is obliged by law and his or her employment or mandate agreement to perform his or her duties to ABB with due care. This includes, among other things, the obligation to have sufficient time and resources available to dedicate to ABB.

## 9. Further Amendments

On January 1, 2013, revised accounting laws came into force. As of the financial year 2015, the Board of Directors will have to prepare a “management report” instead of an “annual report”, and in addition cash-flow statements as part of the annual financial statements. The proposed amendment to Art. 18 letter c and Art. 39 para. 2 implements this change of law. Further, there are no longer separate group auditors (Art. 18 letter b), and it is no longer required that the special auditors be elected by the General Meeting (Art. 18 letter b) and that the Board of Directors examine the professional qualifications of the qualified auditors (former Art. 25 letter h).

The Board of Directors further proposes to revise Art. 17 para. 3 to address the repetition not only of open elections or resolutions, but also of elections or resolutions carried out by electronic means or in writing.

Finally the proposed amendments to Art. 5 para. 6, Art. 6 para. 5 and Art. 8 para. 1 reflect the name change of the share register service provider in Sweden.

## II. Comparison of the revised provisions of the Articles of Incorporation as proposed and the current provisions of the Articles of Incorporation of ABB Ltd

<b>Current Version</b> as of April 25, 2013	<b>Revised Version</b> (changes highlighted in orange, deletion not shown)*
<b>Share Register and Restrictions on Registration, Nominees</b>	<b>Share Register and Restrictions on Registration, Nominees</b>
<b>Article 5</b>	<b>Article 5</b>
1 The Company shall maintain a share register listing the surname and first name (in the case of legal entities, the company name) and address of the holders and usufructuaries of the registered shares.	1 The Company shall maintain a share register listing the surname and first name (in the case of legal entities, the company name) and address of the holders and usufructuaries of the registered shares.
2 Acquirors of registered shares shall be registered upon request in the share register as shareholders with the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account.	2 Acquirors of registered shares shall be registered upon request in the share register as shareholders with the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account.
3 If persons fail to expressly declare in their registration applications that they hold the shares for their own account (the "Nominees"), the Board of Directors shall enter such persons in the share register with the right to vote, provided that the Nominee has entered into an agreement with the Board of Directors concerning his status and is subject to a recognized bank or financial market supervision.	3 If persons fail to expressly declare in their registration applications that they hold the shares for their own account (the "Nominees"), the Board of Directors shall enter such persons in the share register with the right to vote, provided that the Nominee has entered into an agreement with the Board of Directors concerning his status and is subject to a recognized bank or financial market supervision.
4 After hearing the registered shareholder or Nominee, the Board of Directors may cancel registrations in the share register, retroactive to the date of registration, if such registrations were made based on incorrect information. The relevant shareholder or Nominee shall be informed immediately as to the cancellation.	4 After hearing the registered shareholder or Nominee, the Board of Directors may cancel registrations in the share register, retroactive to the date of registration, if such registrations were made based on incorrect information. The relevant shareholder or Nominee shall be informed immediately as to the cancellation.
5 The Board of Directors shall regulate the details and issue the instructions necessary for compliance with the preceding provisions. In special cases, it may grant exemptions from the rule concerning Nominees. The Board of Directors may delegate its duties.	5 The Board of Directors shall regulate the details and issue the instructions necessary for compliance with the preceding provisions. In special cases, it may grant exemptions from the rule concerning Nominees. The Board of Directors may delegate its duties.
6 Notwithstanding paras. 2–4 of this article, acquirors of registered shares may be registered in the share register with Värdepapperscentralen VPC AB ("VPC") in accordance with Swedish law.	6 Notwithstanding paras. 2–4 of this article, acquirors of registered shares may be registered in the share register with <u>Euroclear Sweden AB ("Euroclear")</u> in accordance with Swedish law.

**Current Version**

as of April 25, 2013

**Revised Version**

(changes highlighted in orange, deletion not shown)\*

**Share Certificates and Intermediated Securities****Article 6**

1 The Company may issue its registered shares in the form of single certificates, global certificates and uncertificated securities. Under the conditions set forth by statutory law, the Company may convert its registered shares from one form into another form at any time and without the approval of the shareholders. The Company shall bear the cost of any such conversion.

2 If registered shares are issued in the form of single certificates or global certificates, they shall bear the signatures of two members of the Board of Directors. These signatures may be facsimile signatures.

3 The shareholder has no right to demand a conversion of the form of the registered shares. Each shareholder may, however, at any time request a written confirmation from the Company of the registered shares held by such shareholder, as reflected in the share register.

4 Intermediated securities based on registered shares of the Company cannot be transferred by way of assignment. A security interest in any such intermediated securities also cannot be granted by way of assignment.

5 Uncertificated registered shares registered with Euroclear Sweden AB may be pledged in accordance with Swedish law.

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4 Intermediated securities based on registered shares of the Company cannot be transferred by way of assignment. A security interest in any such intermediated securities also cannot be granted by way of assignment.

5 Uncertificated registered shares registered with Euroclear may be pledged in accordance with Swedish law.

**Dividend Access Facility****Article 8**

1 The Company has established a dividend access facility under which shareholders who are resident in Sweden have the option to be registered with VPC as holders of a total of up to 600,004,716 registered shares of the Company, with suspended dividend entitlement. The claim to dividends against the Company on such registered shares shall be suspended as long as such registered shares are registered with VPC In lieu thereof, on each such registered share, an amount equivalent to the dividend resolved on a registered share of the Company shall be paid in Swedish kronor by ABB Norden Holding AB based on the dividend entitlement on a preference share.

**Dividend Access Facility****Article 8**

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Current Version as of April 25, 2013	Revised Version (changes highlighted in orange, deletion not shown)*
2 In deciding on the appropriation of dividends, the General Meeting of Shareholders shall take into account that the Company will pay dividends only on shares that do not participate in the dividend access facility.	2 In deciding on the appropriation of dividends, the General Meeting of Shareholders shall take into account that the Company will pay dividends only on shares that do not participate in the dividend access facility.
Ordinary General Meetings	Ordinary General Meetings
<b>Article 10</b> The Ordinary General Meeting of Shareholders shall be held each year within six months after the close of the fiscal year of the Company; the business report and the Auditors' report, together with the Group Auditors' report, shall be made available for inspection by the shareholders at the place of incorporation of the Company by no later than twenty days prior to the meeting. Each shareholder is entitled to request immediate delivery of a copy of these documents. Shareholders will be notified of this in writing.	<b>Article 10</b> The Ordinary General Meeting of Shareholders shall be held each year within six months after the close of the fiscal year of the Company; the business report, <u>the compensation report</u> and the Auditors' <u>reports</u> , shall be made available for inspection by the shareholders at the place of incorporation of the Company by no later than twenty days prior to the meeting. Each shareholder is entitled to request immediate delivery of a copy of these documents. Shareholders will be notified of this in writing.
Proxies	Proxies
<b>Article 15</b> 1 The Board of Directors shall issue procedural rules regarding participation in and representation at the General Meeting of Shareholders. 2 A shareholder may be represented only by his legal representative, another shareholder with the right to vote, a corporate body (Organvertreter), an independent proxy (unabhängiger Stimmrechtsvertreter), or a depository (Depotvertreter). All shares held by one shareholder may be represented by only one representative.	<b>Article 15</b> 1 The Board of Directors shall issue procedural rules regarding participation in and representation at the General Meeting of Shareholders. 2 A shareholder may be represented only by <u>the independent proxy (unabhängiger Stimmrechtsvertreter)</u> , his legal representative <u>or, by means of a written proxy</u> , another shareholder with the right to vote. All shares held by one shareholder may be represented by only one representative.
	<u>3 The General Meeting of Shareholders shall elect the independent proxy for a term of office extending until completion of the next Ordinary General Meeting of Shareholders. Re-election is possible.</u> <u>4 If the Company does not have an independent proxy, the Board of Directors shall appoint the independent proxy for the next General Meeting of Shareholders.</u>
Resolutions, Elections	Resolutions, Elections
<b>Article 17</b> 1 Unless otherwise required by law, the General Meeting of Shareholders shall pass resolutions and decide elections upon an absolute majority of the votes represented.	<b>Article 17</b> 1 Unless otherwise required by law, the General Meeting of Shareholders shall pass resolutions and decide elections upon an absolute majority of the votes represented.

<b>Current Version</b> as of April 25, 2013	<b>Revised Version</b> (changes highlighted in orange, deletion not shown)*
<p>2 Resolutions and elections shall be decided by a show of hands, unless a secret ballot is resolved by the General Meeting of Shareholders or is ordered by the presiding officer. The presiding officer may also arrange for resolutions and elections to be carried out by electronic means. Resolutions and elections carried out by electronic means are deemed to have the same effect as secret ballots.</p> <p>3 The presiding officer may at any time order that an election or resolution decided by a show of hands be repeated through a secret ballot if, in his view, the results of the vote are in doubt. In this case, the preceding decision by a show of hands shall be deemed to have not occurred.</p> <p>4 If the first ballot fails to result in an election and more than one candidate is standing for election, the presiding officer shall order a second ballot in which a relative majority shall be decisive.</p>	<p>2 Resolutions and elections shall be decided by a show of hands, unless a secret ballot is resolved by the General Meeting of Shareholders or is ordered by the presiding officer. The presiding officer may also arrange for resolutions and elections to be carried out by electronic means. Resolutions and elections carried out by electronic means are deemed to have the same effect as secret ballots.</p> <p>3 The presiding officer may at any time order that an election or resolution be repeated if, in his view, the results of the vote are in doubt. In this case, the preceding <u>election or resolution</u> shall be deemed to have not occurred.</p> <p>4 If the first ballot fails to result in an election and more than one candidate is standing for election, the presiding officer shall order a second ballot in which a relative majority shall be decisive.</p>
<b>Specific Powers of the General Meeting</b>	<b>Specific Powers of the General Meeting</b>
<p><b>Article 18</b></p> <p>The following powers shall be vested exclusively in the General Meeting of Shareholders:</p> <p>a) adoption and amendment of the Articles of Incorporation;</p> <p>b) election of the members of the Board of Directors, the Auditors, the Group Auditors and the Special Auditors;</p> <p>c) approval of the annual report and the consolidated financial statements;</p> <p>d) approval of the annual financial statements and deciding on the allocation of profits shown on the balance sheet, in particular with regard to dividends;</p> <p>[no provision]</p> <p>e) granting discharge to the members of the Board of Directors and the persons entrusted with management;</p>	<p><b>Article 18</b></p> <p>The following powers shall be vested exclusively in the General Meeting of Shareholders:</p> <p>a) adoption and amendment of the Articles of Incorporation;</p> <p>b) election of the members of the Board of Directors, <u>the Chairman of the Board of Directors, the members of the Compensation Committee, the Auditors and the independent proxy;</u></p> <p>c) approval of the annual <u>management</u> report and consolidated financial statements;</p> <p>d) approval of the annual financial statements and <u>decision</u> on the allocation of profits shown on the balance sheet, in particular with regard to dividends;</p> <p><u>e) approval of the compensation of the Board of Directors and of the Executive Committee pursuant to Article 34 of these Articles of Incorporation;</u></p> <p><u>f) granting discharge to the members of the Board of Directors and the persons entrusted with management;</u></p>

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<p>f) passing resolutions as to all matters reserved to the authority of the General Meeting by law or under these Articles of Incorporation or that are submitted to the General Meeting by the Board of Directors, subject to art. 716a Swiss Code of Obligations.</p>	<p><u>g)</u> passing resolutions as to all matters reserved to the authority of the General Meeting by law or under these Articles of Incorporation or that are submitted to the General Meeting by the Board of Directors, subject to art. 716a Swiss Code of Obligations.</p>
<b>Term of Office</b>	<b>Election, Term of Office</b>
<p><b>Article 21</b></p> <p>1 The term of office of the members of the Board of Directors shall be one year. In this regard, one year shall mean the period between two Ordinary General Meetings of Shareholders.</p> <p>2 Members of the Board of Directors whose terms of office have expired shall be immediately eligible for re-election.</p>	<p><b>Article 21</b></p> <p>1 The members of the Board of Directors <u>and the Chairman of the Board of Directors</u> shall be <u>individually elected by the General Meeting of Shareholders for a term of office extending until completion of the next Ordinary General Meeting of Shareholders.</u></p> <p>2 Members whose terms of office have expired shall be immediately eligible for re-election.</p> <p><u>3 If the office of the Chairman of the Board of Directors is vacant, the Board of Directors shall appoint a new Chairman from among its members for a term of office extending until completion of the next Ordinary General Meeting of Shareholders.</u></p>
<b>Organization of the Board, Remuneration</b>	<b>Organization of the Board, <u>Reimbursement of Expenses</u></b>
<p><b>Article 22</b></p> <p>1 The Board of Directors shall elect from among its members one Chairman. It shall appoint a secretary who need not be a member of the Board.</p> <p>2 The members of the Board of Directors shall be entitled to the reimbursement of all expenses incurred in the interests of the Company, as well as remuneration for their services that is appropriate in view of their functions and responsibilities. The amount of the remuneration shall be fixed by the Board of Directors or a committee of the Board of Directors.</p>	<p><b>Article 22</b></p> <p>1 <u>Except for the election of the Chairman of the Board of Directors and the members of the Compensation Committee by the General Meeting of Shareholders, the</u> Board of Directors shall <u>constitute itself. It may</u> elect from among its members one <u>or several Vice-Chairmen</u>. It shall appoint a secretary who need not be a member of the Board.</p> <p>2 The members of the Board of Directors shall be entitled to the reimbursement of all expenses incurred in the interests of the Company.</p>

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Specific Powers of the Board	Specific Powers of the Board
<b>Article 25</b>	<b>Article 25</b>
1 The Board of Directors has, in particular, the following nondelegable and inalienable duties:	1 The Board of Directors has, in particular, the following non-delegable and inalienable duties:
a) the ultimate direction of the business of the Company and the issuance of the necessary instructions;	a) the ultimate direction of the business of the Company and the issuance of the necessary instructions;
b) the determination of the organization of the Company;	b) the determination of the organization of the Company;
c) the administration of accounting, financial control and financial planning;	c) the administration of accounting, financial control and financial planning;
d) the appointment and removal of the persons entrusted with management and representation of the Company;	d) the appointment and removal of the persons entrusted with management and representation of the Company;
e) the ultimate supervision of the persons entrusted with management of the Company, specifically in view of their compliance with law, these Articles of Incorporation, the regulations and directives;	e) the ultimate supervision of the persons entrusted with management of the Company, specifically in view of their compliance with law, these Articles of Incorporation, the regulations and directives;
f) the preparation of business reports, the preparations for the General Meetings of Shareholders and the implementation of the resolutions adopted by the General Meetings of Shareholders;	f) the preparation of <u>the business report</u> , the <u>compensation report and</u> the General Meetings of Shareholders <u>as well as</u> the implementation of the resolutions adopted by the General Meetings of Shareholders;
g) the adoption of resolutions concerning an increase in share capital to the extent that such power is vested in the Board of Directors (art. 651 para. 4 Swiss Code of Obligations) and of resolutions concerning the confirmation of capital increases and corresponding amendments to the Articles of Incorporation, as well as making the required report on the capital increase;	g) the adoption of resolutions concerning an increase in share capital to the extent that such power is vested in the Board of Directors (art. 651 para. 4 Swiss Code of Obligations) and of resolutions concerning the confirmation of capital increases and corresponding amendments to the Articles of Incorporation, as well as making the required report on the capital increase;
h) the examination of the professional qualifications of the qualified auditors;	<u>h)</u> the notification of the court if liabilities exceed assets.
i) notification of the court if liabilities exceed assets.	
2 In addition, the Board of Directors may pass resolutions with respect to all matters that are not reserved to the authority of the General Meeting of Shareholders by law or under these Articles of Incorporation.	2 In addition, the Board of Directors may pass resolutions with respect to all matters that are not reserved to the authority of the General Meeting of Shareholders by law or under these Articles of Incorporation.



<b>Current Version</b> as of April 25, 2013	<b>Revised Version</b> (changes highlighted in orange, deletion not shown)*
<b>Delegation of Powers</b>	<b>Delegation of Powers</b>
<b>Article 26</b> Subject to art. 25 of these Articles of Incorporation, the Board of Directors may delegate management of the Company in whole or in part to individual directors or to third persons (Executive Committee) pursuant to regulations governing the internal organization.	<b>Article 26</b> Subject to art. 25 of these Articles of Incorporation, the Board of Directors may delegate management of the Company in whole or in part to individual directors or to third persons pursuant to regulations governing the internal organization.
[no provision]	<b><u>C. Compensation Committee</u></b> <b><u>Number of Members</u></b> <b><u>Article 28</u></b> <u>The Compensation Committee shall consist of no less than three members of the Board of Directors.</u>
[no provision]	<b><u>Election, Term of Office</u></b> <b><u>Article 29</u></b> <u>1 The members of the Compensation Committee shall be individually elected by the General Meeting of Shareholders for a term of office extending until completion of the next Ordinary General Meeting of Shareholders.</u> <u>2 Members of the Compensation Committee whose terms of office have expired shall be immediately eligible for re-election.</u> <u>3 If there are vacancies on the Compensation Committee, the Board of Directors may appoint substitute members from among its members for a term of office extending until completion of the next Ordinary General Meeting of Shareholders.</u>
[no provision]	<b><u>Organization of the Compensation Committee</u></b> <b><u>Article 30</u></b> <u>1 The Compensation Committee shall constitute itself. The Board of Directors shall elect the chairman of the Compensation Committee.</u> <u>2 The Board of Directors shall issue regulations establishing the organization and decision-making process of the Compensation Committee.</u>

[no provision]

Powers

Article 31

1 The Compensation Committee shall support the Board of Directors in establishing and reviewing the compensation strategy and guidelines as well as in preparing the proposals to the General Meeting of Shareholders regarding the compensation of the Board of Directors and of the Executive Committee, and may submit proposals to the Board of Directors in other compensation-related issues.

2 The Board of Directors shall determine in regulations for which positions of the Board of Directors and of the Executive Committee the Compensation Committee shall submit proposals for the performance metrics, target values and the compensation to the Board of Directors, and for which positions it shall itself determine, in accordance with the Articles of Incorporation and the compensation guidelines established by the Board of Directors, the performance metrics, target values and the compensation.

3 The Board of Directors may delegate further tasks to the Compensation Committee that shall be determined in regulations.

[no provision]

Section 4: Compensation of the Members of the Board of Directors and of the Executive Committee

General Compensation Principles

Article 33

1 Compensation of the members of the Board of Directors consists of fixed compensation. Total compensation shall take into account position and level of responsibility of the recipient.

2 Compensation of the members of the Executive Committee consists of fixed and variable compensation elements. Fixed compensation comprises the base salary and other compensation elements. Variable compensation may comprise short-term and long-term variable compensation elements. Total compensation shall take into account position and level of responsibility of the recipient.

3 Short-term variable compensation elements shall be governed by performance metrics that take into account the performance of the Company, the group or parts thereof, targets in relation to the market, other companies or comparable benchmarks and/or individual targets, and achievement of which is generally measured during a one-year period. Depending on achieved performance, the compensation may amount to a predetermined multiplier of target level.

4 Long-term variable compensation elements shall be governed by performance metrics that take into account strategic and/or financial objectives, achievement of which is generally measured during a perennial period, as well as retention elements. Depending on achieved performance, the compensation may amount to a predetermined multiplier of target level.

5 The Board of Directors or, to the extent delegated to it, the Compensation Committee shall determine the performance metrics and target levels of the short- and long-term variable compensation elements, as well as their achievement.

6 Compensation may be paid in the form of cash, shares or in the form of other types of benefits; for the Executive Committee, compensation may in addition be paid in the form of share-based instruments or units. The Board of Directors or, to the extent delegated to it, the Compensation Committee shall determine grant, vesting, exercise and forfeiture conditions. In particular, they may provide for continuation, acceleration or removal of vesting and exercise conditions, for payment or grant of compensation based upon assumed target achievement, or for forfeiture, in each case in the event of pre-determined events such as a change-of-control or termination of an employment or mandate agreement. The Company may procure the required shares through purchases in the market or by using contingent share capital.

7 Compensation may be paid by the Company or companies controlled by it.

Current Version as of April 25, 2013	Revised Version (changes highlighted in orange, deletion not shown)*
[no provision]	<p data-bbox="568 156 1021 209"><b><u>Approval of Compensation by the General Meeting of Shareholders</u></b></p> <p data-bbox="568 217 1021 244"><b><u>Article 34</u></b></p> <p data-bbox="568 252 1021 333">1 The General Meeting of Shareholders shall approve the proposals of the Board of Directors in relation to the maximum aggregate amounts of:</p> <p data-bbox="568 341 1021 394">a) compensation of the Board of Directors for the next term of office;</p> <p data-bbox="568 402 1021 454">b) compensation of the Executive Committee for the following financial year.</p> <p data-bbox="568 462 1021 571">2 The Board of Directors may submit for approval by the General Meeting of Shareholders deviating or additional proposals relating to the same or different periods.</p> <p data-bbox="568 579 1021 796">3 In the event the General Meeting of Shareholders does not approve a proposal of the Board of Directors, the Board of Directors shall determine, taking into account all relevant factors, the respective (maximum) aggregate amount or (maximum) partial amounts, and submit the amount(s) so determined for approval by a General Meeting of Shareholders.</p> <p data-bbox="568 804 1021 885">4 Compensation may be paid out prior to approval by the General Meeting of Shareholders subject to subsequent approval.</p>
[no provision]	<p data-bbox="568 914 1021 967"><b><u>Supplementary Amount for Changes to the Executive Committee</u></b></p> <p data-bbox="568 975 1021 1002"><b><u>Article 35</u></b></p> <p data-bbox="568 1010 1021 1441">If the maximum aggregate amount of compensation already approved by the General Meeting of Shareholders is not sufficient to also cover the compensation of one or more persons who become members of the Executive Committee or are being promoted within the Executive Committee after the General Meeting of Shareholders has approved the compensation of the Executive Committee for the relevant period then the Company or companies controlled by it shall be authorized to pay such member(s) a supplementary amount during the compensation period(s) already approved. The supplementary amount per compensation period shall in total not exceed 30% of the maximum aggregate amount of compensation of the Executive Committee last approved.</p>

**Current Version**

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**Revised Version**

(changes highlighted in orange, deletion not shown)\*

[no provision]

**Section 5: Agreements with Members of the Board of Directors and the Executive Committee, Credits****Agreements with Members of the Board of Directors and the Executive Committee****Article 36**

1 The Company or companies controlled by it may enter into agreements for a fixed term or for an indefinite term with members of the Board of Directors relating to their compensation. Duration and termination shall comply with the term of office and the law.

2 The Company or companies controlled by it may enter into employment agreements for a fixed term or for an indefinite term with members of the Executive Committee. Employment agreements for a fixed term may have a maximum duration of one year. Renewal is possible. Employment agreements for an indefinite term may have a termination notice period of maximum twelve months.

3 The Company or companies controlled by it may enter into non-compete agreements with members of the Executive Committee for the time after termination of employment. Their duration shall not exceed one year, and consideration paid for such non-compete undertaking shall not exceed the last total annual compensation of such member of the Executive Committee.

[no provision]

**Credits****Article 37**

Credits may not be granted to a member of the Board of Directors or of the Executive Committee.

[no provision]

**Section 6: Mandates Outside the Group****Mandates Outside the Group****Article 38**

1 No member of the Board of Directors may hold more than ten additional mandates of which no more than four may be in listed companies.

2 No member of the Executive Committee may hold more than five mandates of which no more than one may be in a listed company.

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	<p><u>3 The following mandates shall not be subject to the limitations set forth in paras. 1 and 2 of this Article:</u></p> <p><u>a) mandates in companies which are controlled by the Company or which control the Company;</u></p> <p><u>b) mandates held at the request of the Company or companies controlled by it. No member of the Board of Directors or of the Executive Committee shall hold more than ten such mandates; and</u></p> <p><u>c) mandates in associations, charitable organizations, foundations, trusts, employee welfare foundations, educational institutions, non-profit institutions and other similar organizations. No member of the Board of Directors or of the Executive Committee shall hold more than twenty-five such mandates.</u></p> <p><u>4 Mandates shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a comparable foreign register. Mandates in different legal entities that are under joint control or same beneficial ownership are deemed one mandate.</u></p>
Fiscal Year, Business Report	Fiscal Year, Business Report
<p><b>Article 29</b></p> <p>1 The fiscal year shall close as of December 31 of each year, closing for the first time on December 31, 1999.</p> <p>2 For each fiscal year, the Board of Directors shall prepare a business report including the annual financial statements (consisting of the profit and loss statements, balance sheet and notes to the financial statements), the annual report and the consolidated financial statements.</p>	<p><b>Article 39</b></p> <p>1 The fiscal year shall close as of December 31 of each year, closing for the first time on December 31, 1999.</p> <p>2 For each fiscal year, the Board of Directors shall prepare a business report including the annual financial statements (consisting of the profit and loss statements, balance sheet, <u>cash flow statements</u> and notes to the financial statements), the annual <u>management</u> report and consolidated financial statements.</p>
[no provision]	<p><b><u>Section 9: Transitional Provisions</u></b></p> <p><b><u>Article 42</u></b></p> <p><u>1 Article 38 shall enter into force following the Company's 2015 Ordinary General Meeting.</u></p>

\* Due to the amendments of the Articles of Incorporation set out above, the numbering of the articles and sub-sections in the Articles of Incorporation have to be adjusted accordingly. Pure changes to numbering of the articles and sub-sections are not reflected in the overview.



# Contact us

**ABB Ltd**

Share Register

P.O. Box

8050 Zurich

Switzerland

Phone: +41 (0)43 317 57 04

Fax +41 (0)43 317 39 39

[share.register@ch.abb.com](mailto:share.register@ch.abb.com)

[www.abb.com](http://www.abb.com)

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