



THURSDAY, APRIL 13, 2017, AT 10:00 A.M.

Invitation to the Annual General Meeting of ABB Ltd, Zurich



Invitation

We are pleased to invite you to the Annual General Meeting of ABB Ltd which will be held at the Messe Zurich, Wallisellenstrasse 49, in Zurich Oerlikon, Switzerland on Thursday, April 13, 2017, at 10:00 a.m. (doors open at 8:30 a.m.).

There will be breakfast offered before the meeting.

Chairman's letter

Dear shareholders,

As we compose this letter, we realize that 2016 has been a historic year – both for ABB as well as the world at large. ABB delivered solid performance in 2016, and we made steady progress in transforming the company into a leaner, more customer-focused, digital technology leader. There were many rewarding moments, and ABB earned its share of success.

On the macroeconomic front, extraordinary geopolitical forces emerged, challenging established orders and throwing the world's post-World War II economic architecture into turmoil. In the aftermath of this turbulence we recognize that the journey forward for a large, multinational organization such as ABB demands deliberate, thoughtful navigation. At the same time, we can clearly see the value of a bold vision as we invest in new ways to do more for our customers, partners and employees – and continue to support the growth of economies and ABB's communities around the world.

To maintain leadership, technology companies must pay constant attention to the changes in the technological landscape and adapt to take advantage of the latest trends – it is often said they must see the future first. As a company with a heritage of more than 125 years, ABB has successfully learned to stay abreast of the latest technologies. Today ABB sees two simultaneous developments that will guide our strategy going forward – the Energy Revolution and the Fourth Industrial Revolution.

The Energy Revolution

The economics of electricity generation, transmission, distribution and consumption have changed dramatically in the past two decades, primarily due to the rise of economically viable renewable energy sources, such as solar and wind power. What used to be a simple, linear process of electricity generation-transmission-consumption has become an exponentially more complicated system. In the old framework, electricity in the form of alternating current was generated by a turbine using fossil fuels or hydropower. That electricity was typically transmitted over a distance of a few dozen kilometers through power lines, usually after having been stepped up to a higher voltage to

avoid losses. Finally, near the point of consumption, the electricity was stepped down through transformers for use in homes and industry.

Today the situation is much more complex. Electricity is generated not only by large conventional power plants but also by distributed solar panels and windmills. Many houses have solar panels with battery storage and have become, in effect, mini-power plants. On sunny days, they generate more than enough electricity for their own use, and feed energy back into the local grid. In countries like Germany, we see on some days negative pricing when the sun is shining – a development few could have predicted five years ago.

The other issue with electricity from renewables is that it is often generated in large fields far from where it is consumed. For instance, wind farms in the North Sea and solar panels in the Atacama Desert send power to European and South American cities, respectively. High-voltage direct current (HVDC), pioneered by ABB, can transmit this distributed energy at scale with low rates of loss. With its software and digital technology, the company is now a leader in HVDC, enabling and optimizing national grids in the Americas, Europe and Asia.

A few ABB Energy Revolution highlights from 2016:

- We are working with our customers to bring the benefits of electricity to everyone on the planet, as more than 1.2 billion people remain in the dark today, according to the World Bank. During the last month of 2016 alone, ABB received orders worth more than \$840 million to bring HVDC power to hundreds of millions of people in India and Brazil. Our microgrid technology – which can provide stand-alone power in remote areas or integrate such renewables as solar, wind, and hydropower into existing power grids – is accelerating human progress in sub-Saharan Africa and Asia, among other regions.
- The high-efficiency ventilation and electrification systems that ABB supplied for the new Gotthard Base Tunnel under the Alps, the world's longest railway tunnel, defined the current state of the art for major infrastructure projects.
- ABB's partnership with Solar Impulse 2, which completed the first round-the-world, solar-powered aircraft flight last July, symbolizes our commitment to stretching the limits when it comes to providing enough reliable, efficient energy to run the world without consuming the earth.
- In another small example, our flash-charging technology is allowing zero-pollution electric buses connecting Geneva's airport to the city's suburbs to recharge their batteries in just 15–20 seconds.

With our strong heritage in power technologies and global market penetration, it is accurate to say that anywhere there is electricity, ABB has likely been at work. Today, ABB is making smarter, greener grids possible for the world as a whole, and is a key player in major energy infrastructure buildouts globally. We will continue to invest in this market and related technologies.

The Fourth Industrial Revolution

Digital technology and connectivity has changed the world. Manufacturing is being transformed as digitalization and connectivity transform machines and factories worldwide. This meshing of the digital world with machines as the Internet meets production is what we call the Fourth Industrial Revolution.

The mindset and business model that manufacturers will need to succeed in the future will be different. For one thing, there will be a greater need for the type of industrial digital services ABB is building today. By the end of this decade, more than 20 billion devices will be connected to the Internet – and this number does not include computers or smartphones. The stream of data these connected devices will generate will be a rich source of business intelligence. There is enormous opportunity in analyzing that data and then feeding the resulting digital insights back into machines and systems to make them more efficient, powerful and reliable.

Automation, robotics, artificial intelligence and machine learning have resurrected fears of job losses. We see a significant need for responsible leadership today from the private sector, politicians and academics – and at ABB, we are working to do our part. Our viewpoint is that the world of jobs will fundamentally change due to digital technologies – but we will never be short of work. In the future, in particular, there will be an increased need for software-differentiated services.

ABB started moving its business focus from selling pure hardware to providing digital services and software a number of years ago. A good example of successful transformation is our robotics business. In the past we simply sold individual robots – robots by the kilogram, if you will. Today, our robots are designed to solve business problems. It is a solution-oriented approach, delivering what customers need. Each robot a customer buys can be networked, and send data to a central monitoring system. Pooling data from thousands of robots allows us to develop best practices for such things as the most efficient and productive arm movement, for instance. We can then share the learning with all connected robots through networked software.

A few Fourth Industrial Revolution highlights from 2016:

- In 2016, ABB launched its smart sensor, which can be attached to the hundreds of millions of electric motors now in use globally, connecting the motors to the Internet of Things through cloud-based software to enable transcontinental industrial digitalization. ABB's new sensor cuts motor downtime by 70 percent, extends lifespans by 30 percent, and reduces energy consumption by up to 10 percent – potentially saving energy equivalent to the output of 100 large power plants.
- We are leading the industry in “cobots,” collaborative robots that work with – rather than replace – humans, to improve safety, boost productivity and free people from dirty, dangerous work in mines and factories while allowing them to do more valuable, rewarding jobs. Our robots use machine learning and artificial intelligence and can perform tasks, such as solving Rubik's cube in seconds. In 2016, ABB's YuMi collaborative robot won the Invention and Entrepreneurship in Robotics and Automation Award at Automatica, the leading tradeshow for robotics and automation.

To take advantage of the latest developments in the market and to better serve its customers, ABB has changed its divisional structure into four market-leading divisions: Electrification Products, Robotics and Motion, Industrial Automation and Power Grids. The divisions are being empowered as entrepreneurial units within ABB, and benefit from sales collaboration orchestrated by regions and countries as well as from the group-wide digital offering; ABB's leading G&A structure; common supply chain management; and corporate research. ABB will continue to strengthen its divisions through active portfolio management. This includes pursuing strategic additions, transforming business models and pruning non-core businesses as well as business partnerships.

Financial highlights

ABB performed satisfactorily in 2016. The company finished the year in a solid financial position, having delivered consistent margin improvements and further strengthened its ability to generate cash.

Financial highlights for the full year 2016:

- Orders were down at \$33.4 billion
- Revenues on a comparable basis were stable at \$33.8 billion
- Operational EBITA margin increased by 50 basis points
- Basic earnings per share increased 2 percent and operational earnings per share was 4 percent higher (constant currency)
- Free cash flow increased to \$3.1 billion, 161% of net income

The management has focused on running the company with discipline and has maintained its commitment to generating shareholder value. Sustained geopolitical and macroeconomic uncertainty in the U.S. and E.U. through 2016 prompted customers to adopt a wait-and-see approach to investing in large-scale infrastructure projects. While working to sharpen and focus our offerings across industries, ABB used this period of global uncertainty to strengthen operational excellence. Our white-collar productivity program outperformed expectations, allowing the company to increase its cost-reduction target by 30 percent, saving \$1.3 billion.

ABB's regular efficiency programs continued to achieve savings equivalent to 3–5 percent of the cost of sales each year, and its 1,000-day working capital program is on course to free up approximately \$2 billion by the end of 2017. The company's focus on operational excellence will continue in 2017. Our ambition is to move from initiative-driven optimization, which was necessary over the past two years, to an industry-leading operating model.

During 2016, we completed an extensive strategic portfolio review for the Power Grids division. We listened carefully to all stakeholders and considered all views on how to create maximum value for ABB shareholders. In October we announced the Power Grids division would continue its transformation under ABB's ownership and, through that, this business can unlock the most value for shareholders, customers and employees. The outlook for the utilities industry is improving. India and China are making big investments in energy infrastructure and Power Grids will benefit from that spending. In addition, the changes brought about by the Energy and Fourth Industrial Revolutions are good for Power Grids as there is more demand created for HVDC and other ABB products, such as the software-enabled system for utilities that monitors the health of their assets digitally.

We have raised ABB's operational EBITA target margin corridor for Power Grids by 200 basis points to 10 to 14 percent, effective 2018, reflecting management's confidence in the future of the division. For ABB as a whole, we reaffirmed our 2015–2020 financial targets.

Given ABB's strong financial position, the company plans to return more cash to you with a new share buyback program of up to \$3 billion from 2017 through 2019.

In addition, the Board of Directors is proposing to raise the dividend to CHF 0.76 a share at the 2017 annual general meeting. This is in line with the dividend policy of a steadily rising dividend that ABB's management has outlined as part of its Next Level Strategy for the company.

Over the last three years, ABB has returned \$8.7 billion to its shareholders in the form of dividends and share buybacks.

One very unfortunate development was that ABB uncovered a sophisticated criminal scheme involving significant embezzlement and misappropriation of funds in its South Korean subsidiary. The company immediately launched a thorough investigation, involving internal and external parties, which is progressing well. The company has checked and reconfirmed the balances of its global bank accounts and can confirm that this situation is limited to South Korea. ABB has a zero-tolerance approach to unethical behavior and maintains the highest standards regarding integrity and ethical business

practices. We have started implementing disciplinary consequences and will continue to do so as appropriate. Due to the investigation, ABB had to postpone the publication of its 2016 annual report.

ABB's digital focus

Both the Energy Revolution and the Fourth Industrial Revolution are creating new business opportunities, and with them, new business models. These parallel revolutions are a good platform for the company to strengthen its lead in a competitive global marketplace through software and services for our customers in energy, utilities, transport and infrastructure.

The company is taking a quantum leap in digital solutions with the launch of ABB Ability. ABB Ability brings together our entire portfolio of digital solutions and services, making them fully accessible and adaptable to all our customers. Interconnecting things, services and people digitally – the so-called Internet of Things, Services and People – is the basis for data analysis, boosts productivity and safety, enhances reliability, and saves energy and costs. Given the size of ABB's installed base in the Internet of Things, Services and People – 70 million connected devices and 70,000 control systems across a range of industries – we see the potential to strengthen our position as a trusted partner to our customers as the Energy and Fourth Industrial Revolutions progress further, because they already know us and trust us to deliver the right technological solutions.

We have appointed an experienced Chief Digital Officer and created a centralized, dedicated digital organization to develop and deliver digital solutions to all our marketplaces on a global basis together with our businesses. The company is in the process of integrating digital solutions and technology into all of ABB's future products, systems, services and business models.

Strengthening leadership

ABB strengthened its management team in 2016 to drive and support its ongoing transformation. In addition to new leadership within the Discrete Automation and Motion (DM) division and the appointment of a new Chief Financial Officer, ABB's Board of Directors added four new members elected at the company's last annual general meeting. These new members bring valuable expertise in digitalization, software, finance, R&D, technology and manufacturing. With these additions, ABB's board is now comprised of members from ten countries representing a broad range of industries.

Outlook for the year ahead

Geopolitical uncertainties persist and the market outlook for 2017 remains challenging. It is important to note that when ABB identifies a market opportunity by industry or geography, we commit for the long term. The uncertainty of 2016 did not deter us from continuing our company-wide transformation or from initiating a vital new focus on digital and customer-centricity. We are continuing to invest heavily in research and development and innovation to maintain our technological leadership. With growing momentum across ABB's four streamlined entrepreneurial businesses the company will address customer needs in the Energy and Fourth Industrial Revolutions in a focused and agile way, with digital solutions, services and products that truly solve customer problems.

Summary

The worldwide marketplace is demanding, but at the same time rich with promise and opportunity as the Energy Revolution and Fourth Industrial Revolution continue to accelerate global change. Our accelerating transformation through 2016 and into the new year makes us confident that ABB has the portfolio of businesses and the leadership team to create superior value for our customers, shareholders and employees.

ABB would not exist without its dedicated and tireless employees, and their commitment and hard work remain instrumental to its success. We would like to thank them for their commitment and many accomplishments in the past year. Similarly, the ongoing support of ABB's customers and partners makes all the company's achievements possible. Finally, the continued trust that you, ABB's shareholders, have bestowed on the company is the foundation upon which this enterprise has been built.

We are honored to lead this company, and know there is continued exciting and hard work to do to realize ABB's full potential. Today's ABB is energized and focused on the opportunities that lie ahead for its customers and partners. Let's write the future. Together.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Voser', written in a cursive style.

Peter Voser

Chairman of the Board of Directors

Agenda and proposals of the Board of Directors

1. Approval of the management report, the consolidated financial statements and the annual financial statements for 2016

Proposal

The Board of Directors **proposes** that the management report, the consolidated financial statements and the annual financial statements for 2016 be approved.

Explanation

The management report, the consolidated financial statements and the annual financial statements for 2016 are available for inspection by the shareholders at the seat of the Company. They are also available electronically under www.abb.com/agm.

2. Consultative vote on the 2016 Compensation Report

Proposal

The Board of Directors **proposes** that the Compensation Report, which can be found in the Annual Report, be accepted (non-binding consultative vote).

Explanation

The Compensation Report contains the principles governing the compensation paid to the Board of Directors and the Executive Committee and reports on the amounts paid to the members of both bodies in 2016. The Compensation Report 2016 is available for inspection by the shareholders at the seat of the Company. It is also available electronically under www.abb.com/agm.

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

Proposal

The Board of Directors **proposes** that the members of the Board of Directors and the persons entrusted with management be granted discharge for financial year 2016.

4. Appropriation of earnings

Proposal

Net income for 2016	CHF	1,924,811,402
Carried forward from previous year	CHF	8,621,575,976
Cancellation of repurchased shares	CHF	(1,293,703,552)
Earnings available to the Annual General Meeting	CHF	9,252,683,826

The Board of Directors **proposes** that out of the earnings available to the Annual General Meeting, a dividend of CHF 0.76 gross per registered share be distributed. Calculated on the total number of issued shares of 2,214,743,264, this corresponds to a maximum total amount of CHF 1,683,204,880.64.

The first trading day ex-dividend is expected to be April 19, 2017, and the payout date in Switzerland is expected to be April 21, 2017. The Swiss withholding tax of 35% will be deducted from the gross dividend amount.

The remaining amount of the available earnings is to be carried forward to the new account.

In deciding on the appropriation of dividends, the Annual General Meeting shall take into account that ABB Ltd will not pay dividends on shares that participate in the dividend access facility as per article 8 of the Articles of

Incorporation and on own shares held by the Company and its subsidiaries.

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 without deduction of the Swiss withholding tax. This amount, however, is subject to taxation according to Swedish law.

5. Capital reduction through cancellation of shares repurchased under the share buyback program

Proposal

The Board of Directors **proposes**:

- a) to reduce the share capital of CHF 265,769,191.68 by CHF 5,591,400.00 to CHF 260,177,791.68 by way of cancellation of 46,595,000 shares with a nominal value of CHF 0.12 each which were bought back by the Company under the share buyback program announced in September 2014;
- b) to confirm as a result of the report of the auditors that the claims of the creditors are fully covered notwithstanding the capital reduction;

- c) to amend article 4 para. 1 of the Articles of Incorporation according to the following wording as per the date of the entry of the capital reduction in the commercial register (the proposed amendments are underlined):

Article 4 para. 1

The share capital of the Company is CHF 260,177,791.68 and is divided into 2,168,148,264 fully paid registered shares. Each share has a par value of CHF 0.12.¹

Explanation

Under the share buyback program announced in September 2014, ABB Ltd repurchased a total of 146,595,000 shares for cancellation. At the Annual General Meeting in 2016, the shareholders approved the cancellation of 100 million shares. This is to ask the shareholders to approve the cancellation of the remaining 46,595,000 shares.

¹ This assumes that any new shares issued out of the authorized or contingent share capital of the Company will not be registered in the commercial register between the date of the Annual General Meeting and the date of entry of the capital reduction in the commercial register. If such new shares are registered during this time period, the numbers will be amended accordingly.

6. Renewal of authorized share capital

Proposal

The Board of Directors **proposes** to renew ABB Ltd's authorized share capital in an amount not to exceed CHF 24,000,000 enabling the issuance of up to 200,000,000 shares with a nominal value of CHF 0.12 each by no later than April 13, 2019, by amending article 4^{ter} para. 1 of the Articles of Incorporation as follows (the proposed amendments are underlined):

Article 4^{ter} – Authorized Share Capital

- 1 The Board of Directors shall be authorized to increase the share capital in an amount not to exceed CHF 24,000,000 through the issuance of up to 200,000,000 fully paid registered shares with a par value of CHF 0.12 per share by not later than April 13, 2019. Increases in partial amounts shall be permitted.

[Article 4^{ter} para. 2–4 remain unchanged.]

Explanation

The proposal is intended to renew the existing authorized share capital, which will expire on April 29, 2017, if not renewed. The proposed renewal will maintain a certain financial flexibility of the Company. The authorized share capital is not for use in connection with employee share plans.

7. Binding votes on the compensation of the Board of Directors and the Executive Committee

7.1. Binding vote on the maximum aggregate amount of compensation of the Board of Directors for the next term of office, i. e. from the 2017 Annual General Meeting to the 2018 Annual General Meeting

Proposal

The Board of Directors **proposes** that shareholders approve the maximum aggregate amount of compensation of the Board of Directors covering the period from the 2017 Annual General Meeting to the 2018 Annual General Meeting in the amount of CHF 4,400,000.

Explanation

Pursuant to article 34 of the Articles of Incorporation, the General Meeting of Shareholders shall approve the maximum aggregate amount of compensation of the Board of Directors for the next term of office. Further information on the proposed compensation is provided in the annex to this invitation.

7.2. Binding vote on the maximum aggregate amount of compensation of the Executive Committee for the following financial year, i. e. 2018

Proposal

The Board of Directors **proposes** that shareholders approve the maximum aggregate amount of compensation of the Executive Committee for the financial year 2018 in the amount of CHF 52,000,000.

Explanation

Pursuant to article 34 of the Articles of Incorporation, the General Meeting of Shareholders shall approve the maximum aggregate amount of compensation of the Executive Committee for the following financial year. Further information on the proposed compensation is provided in the annex to this invitation.

8. 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 completion of the Annual General Meeting on April 13, 2017.

Proposal

All current members of the Board of Directors stand for re-election except for Michel de Rosen and Robyn Denholm. In addition, the Board of Directors proposes to elect Lars Förberg as a new member to the Board of Directors. Accordingly, the Board of Directors **proposes** that the persons presented below be elected as members to the Board of Directors for a term of office of one year extending until completion of the Annual General Meeting 2018. The elections to the Board of Directors shall be effected on an individual basis:



Matti Alahuhta (as Director)

Matti Alahuhta has been a member of ABB's Board of Directors since April 2014. He is the chairman of the boards of Outotec Corporation and of DevCo Partners Oy (both Finland). He is also a member of the boards of directors of KONE Corporation (Finland) and Volvo AB (Sweden). He was president and CEO of KONE Corporation from 2006 until March 2014 and in addition he served as its president in 2005. He joined KONE Corporation after 26 years with Nokia Corporation (Finland). Mr. Alahuhta was born in 1952 and is a Finnish citizen.



David Constable (as Director)

David Constable has been a member of ABB's Board of Directors since April 2015. He was the chief executive officer of Sasol Limited (South Africa) from 2011 until June 2016 and in addition he was the president from 2014 until June 2016. He joined Sasol after more than 29 years with Fluor Corporation (U.S.). He is a member of the boards of directors of Rio Tinto plc (U.K.), Rio Tinto Limited (Australia) and Anadarko

Petroleum Corporation (U.S.). Mr. Constable was born in 1961 and is a Canadian citizen.



Frederico Fleury Curado (as Director)

Frederico Fleury Curado has been a member of ABB's Board of Directors since April 2016. He is a member of the boards of directors of lochpe-Maxion S.A. (Brazil) and Transocean Ltd. (Switzerland). He was the CEO of Embraer S.A. (Brazil) from 2007 until June 2016. Mr. Curado was born in 1961 and is a Brazilian citizen.



Lars Förberg (as Director)

Lars Förberg co-founded Cevian Capital in 2002 and serves as its managing partner. Mr. Förberg has served on boards of listed companies in multiple jurisdictions and across a wide range of industries, among them Danske Bank A/S (Denmark), Panalpina Welttransport (Holding) AG (Switzerland) and Alent plc (U.K.). Prior to co-founding Cevian, Mr. Förberg was chief investment officer of Custos AB and an investment manager and partner at Nordic Capital AB (both Sweden). He serves as a member of the nomination committee

of Volvo AB (Sweden). Mr. Förberg was born in 1965 and is a Swedish citizen.



Louis R. Hughes (as Director)

Louis R. Hughes has been a member of ABB's Board of Directors since May 2003. He is the chairman of the board of InZero Systems (formerly GBS Laboratories LLC) (U.S.). He is also a member of the supervisory board of Akzo Nobel N.V. (The Netherlands) and a member of the board of directors of Nokia Corporation (Finland). Mr. Hughes was born in 1949 and is a U.S. citizen.



David Meline (as Director)

David Meline has been a member of ABB's Board of Directors since April 2016. He is the chief financial officer of Amgen Inc. (U.S.). He was the chief financial officer of 3M Company (U.S.) from 2008 to 2014. Prior to joining 3M, Mr. Meline worked for more than 20 years for General Motors Company (U.S.). Mr. Meline was born in 1957 and is a Swiss and U.S. citizen.



Satish Pai (as Director)

Satish Pai has been a member of ABB's Board of Directors since April 2016. He is the managing director and member of the board of directors of Hindalco Industries Ltd. (India). He joined Hindalco in 2013 after 28 years with Schlumberger Limited (U.S.). Mr. Pai was born in 1961 and is an Indian citizen.



Jacob Wallenberg (as Director)

Jacob Wallenberg has been a member of ABB's Board of Directors since June 1999 and vice chairman since April 2015. He is the chairman of the board of Investor AB (Sweden). He is vice chairman of the boards of Telefonaktiebolaget LM Ericsson AB, SAS AB, FAM AB and Patricia Industries AB (all Sweden). He is also a member of the boards of directors of the Knut and Alice Wallenberg Foundation and the Stockholm School of Economics (both Sweden) and vice chairman of the Swedish-American Chamber of Commerce (U.S.). Mr. Wallenberg was born in 1956 and is a Swedish citizen.



Ying Yeh (as Director)

Ying Yeh has been a member of ABB's Board of Directors since April 2011. She is a member of the board of directors of Samsonite International S.A. (Luxembourg). Ms. Yeh was born in 1948 and is a Chinese citizen.



Peter Voser (as Director and Chairman)

Peter R. Voser has been a member and chairman of ABB's Board of Directors since April 2015. He is a member of the boards of directors of Roche Holdings Ltd (Switzerland), IBM Corporation (U.S.) and Temasek Holdings (Private) Limited (Singapore). He is also the chairman of the board of Catalyst (U.S.), a non-profit organization. He was the chief executive officer of Royal Dutch Shell plc (The Netherlands) from 2009 until 2013. Mr. Voser was born in 1958 and is a Swiss citizen.

Explanation

Following ABB's selection process, the Board of Directors is proposing Lars Förberg as a new member for election. Mr. Förberg is managing partner of Cevian Capital, ABB's second largest shareholder, and will bring relevant long-term experience as board member of industrial companies managing strategic, operational and organizational change, complementing the ambitions of ABB's Next Level strategy. Pursuant to article 21 of the Articles of Incorporation, the General Meeting of Shareholders elects each member of the Board of Directors and the Chairman of the Board of Directors.

9. Elections to the Compensation Committee

Proposal

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

- David Constable
- Frederico Fleury Curado
- Ying Yeh

to the Compensation Committee for a term of office of one year extending until completion of the Annual General Meeting 2018. The elections to the Compensation Committee shall be effected on an individual basis.

Explanation

Pursuant to article 29 of the Articles of Incorporation, the General Meeting of Shareholders elects each member of the Compensation Committee.

10. Election of the independent proxy

Proposal

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 Annual General Meeting 2018.

Explanation

Pursuant to article 15 of the Articles of Incorporation, the General Meeting of Shareholders elects the independent proxy. The Board of Directors confirms that the proposed candidate is independent.

11. Election of the auditors

Proposal

The Board of Directors **proposes** that Ernst & Young AG be elected as auditors for the financial year 2017.

Zurich, March 14, 2017

ABB Ltd

Board of Directors

Organizational topics

Annual Report

The Annual Report is available to the shareholders for examination at the Company's head office at Affolternstrasse 44, Zurich Oerlikon, Switzerland, as well as in Sweden at ABB AB, Kopparbergsvägen 2, Västerås. The invitation including the agenda and the proposals of the Board of Directors will be mailed directly to shareholders who are registered in the Company's share register with the right to vote. The Annual Report will be mailed on request. The Annual Report is also available electronically under www.abb.com/agm.

Registration and admission cards

Shareholders entered in the share register with the right to vote on April 5, 2017, are entitled to participate in the Annual General Meeting. These shareholders will receive their admission cards (by priority mail) on request, either using the reply form enclosed or electronically (e-voting). The reply form or a corresponding notification must reach the Company not later than April 7, 2017 (by mail), or April 11, 2017

(e-voting). Reply forms or notifications arriving after that date will not be taken into consideration.

Proxy/Voting

If you cannot attend our Annual General Meeting in person, you may:

- a) arrange to be represented by another ABB shareholder registered with the right to vote; or
- b) authorize Dr. Hans Zehnder, attorney-at-law and notary, Bahnhofplatz 1, 5401 Baden, Switzerland, to act as your independent proxy.

Electronic authorizations/ voting and instructions to the independent proxy (e-voting)

Shareholders may register by using the e-voting platform via www.abb.com/agm to either request an admission card, authorize another ABB shareholder with the right to vote, or issue voting instructions to the independent proxy.

The requisite login details are enclosed in the reply form. Personalized login details remain valid and can still be used. Shareholders may vote electronically, or change any instructions they may have communicated electronically, up to but no later than 11:59 p.m. (CET) on April 11, 2017.

For further information as well as instructions on how to register and vote electronically, please refer to our instruction video on www.abb.com/agm.

No trading restrictions on shares for registered shareholders

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

Shares and votes

As of March 3, 2017, the total number of shares and votes in ABB Ltd is 2,214,743,264. As of the same date the Company holds 73,515,574 treasury shares, corresponding to 73,515,574 votes that cannot be exercised at the Annual General Meeting.

Translation

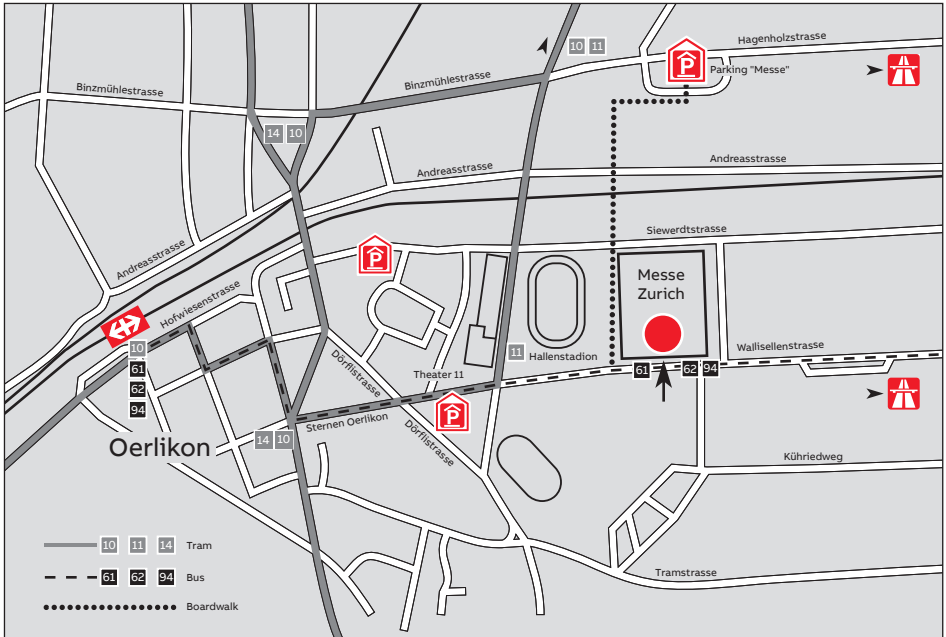
The Annual General Meeting will be conducted primarily in German. Translation into English will be available.

Live webcast

The Annual General Meeting will be broadcast on the Internet via www.abb.com/agm.

Record of decisions

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 under www.abb.com/agm.



Notes for participants

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

Public transport

From Zurich central station to Zurich Oerlikon train station use train number S2, S6, S7, S8, S9, S14, S15, S16, S19 or S24.

From Zurich Oerlikon train station use tram No. 11, bus No. 61, bus No. 62 or bus No. 94 to the stop Messe/Hallenstadion.

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

Annex to Agenda Item 7

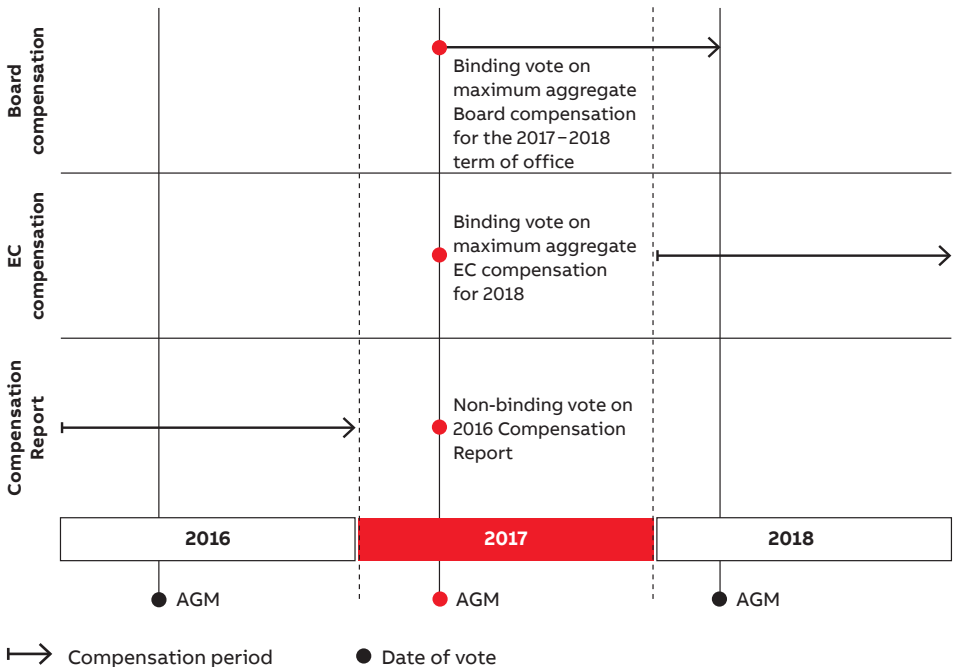
(Binding votes on the compensation of the Board of Directors and the Executive Committee)

Introduction

At the 2017 Annual General Meeting of ABB Ltd, there will be separate binding votes on the maximum aggregate compensation of the Board of Directors (Board) for its 2017–2018 term of office

and on the maximum aggregate compensation for 2018 of the Executive Committee (EC). There will also be a non-binding vote on the 2016 Compensation Report.

Overview of compensation votes at the 2017 Annual General Meeting



7.1 Binding vote on the maximum aggregate amount of compensation of the Board of Directors for the next term of office, i. e. from the 2017 Annual General Meeting to the 2018 Annual General Meeting

The Board is proposing to decrease the number of Board members to 10 in the 2017–2018 term of office compared with 11 in the 2016–2017 term. Compensation for individual Board members is planned to remain at the same level as in the previous period.

The Board proposes that shareholders approve a maximum aggregate compensation of the Board of CHF 4,400,000.

The compensation of the members of the Board consists only of fixed compensation and the Board members are required to take at least half of their compensation in the form of ABB Ltd shares.

The compensation principles for the members of the Board are described in article 33 of the Articles of Incorporation. Based on the proposals of the Compensation Committee, the Board determines the compensation of its members taking into account each member's position and responsibilities.

Additional information regarding compensation of the Board is available in the 2016 Compensation Report, which can be found in the Annual Report.

7.2 Binding vote on the maximum aggregate amount of compensation of the Executive Committee for the following financial year, i. e. 2018

In 2015, ABB redesigned its executive compensation system to improve business speed, agility and customer focus. It places a greater emphasis on an individual's targets in order to drive and reward outstanding performance, and to achieve a balance between an individual's and ABB's company-wide objectives. In addition, it broadens the set of targets used to measure performance to include financial, operational, change and leadership objectives aligned with the Next Level strategy.

To help achieve these goals, the Board has further developed ABB's key principles of executive compensation:

- **Linked and balanced:** Compensation is linked to the Next Level strategy and performance through ambitious individual and Group objectives, robust performance monitoring and a sound balance between Group and individual performance.

- **Competitive:** Annual base salaries of EC members are set between the market median and upper quartile in order to attract suitable talent.
- **Performance driven:** Ambitious objectives are set in ABB's planning processes, and variable pay is aimed at the upper quartile level when these objectives are met.
- **Comprehensive KPIs:** All performance metrics support the development of earnings per share and cash return on invested capital, and cover financial, operational, change and behavioral performance.
- **Market tested:** Compensation mix and levels are tested annually against benchmarks that include selected ABB peers and appropriate markets in which ABB operates.

The key features of our executive compensation system are:

- **Base salary and other benefits:** The annual review of the Executive Committee's performance assesses each member's results and behavior with respect to the Next Level strategy.
- **Short-term variable compensation:** Formerly based entirely on ABB

The chart below shows the expected development of aggregate EC compensation from 2016 to 2018.

Overview of considerations in calculation of maximum aggregate EC compensation¹

	2016			2017	2018
Aggregate EC compensation in CHF (millions)	44	43	52	50	52
	Actual	Target	Maximum (approved at 2015 AGM)	Maximum (approved at 2016 AGM)	Maximum (to be requested at 2017 AGM)
Assumptions					
Short-term variable compensation payout percentage		100%	150%	150%	150%
Adjustment of LTIP performance component 1 (P1)		0%	+25%	+25%	+25%
Number of EC members		11	12	11	11

¹ For full description, see Compensation Report, which can be found in the Annual Report.

Group's performance, short-term variable compensation for each EC member reflects a balance between Group and the individual's performance. Individual performance will cover metrics that help management assess whether the results are achieved in a sustainable way, going beyond financial metrics to measures of operational execution, implementation of Next Level strategy, change and leadership. Also, all achievement levels for quantitative targets will be computed and not based on discretionary assessments.

- Long-term variable compensation: To emphasize performance, the vesting of one component depends on EPS achievement and the vesting of the other component depends on net income achievement.

The main factors impacting changes in aggregate compensation from year to year are the number of EC members, each member's target compensation, and Company and individual performance during the relevant performance cycles.

Target compensation would be reached if EC members meet the performance criteria for a 100 percent payout of the short-term variable compensation component and for the allocation of 100 percent of the reference grant size for the P1 performance component of the long-term incentive plan.

The proposed maximum aggregate EC compensation for 2018 of CHF 52,000,000 would only be reached if EC members meet the performance criteria for a 150 percent payout of the short-term variable compensation component and for the allocation of 125 percent of the reference grant size for the P1 performance component of the long-term incentive plan. Over the last 3 years, this level of payout and allocation for all EC members on an aggregate basis has not occurred at ABB.

Additional information regarding EC compensation is available in the 2016 Compensation Report, which can be found in the Annual Report.



Contact us

ABB Ltd
Share Register
P.O. Box
8050 Zurich
Switzerland
Phone: +41 43 317 57 00
Fax +41 43 317 39 39
share.register@ch.abb.com

www.abb.com