

**ABB Ltd**

**MINUTES**

**of the  
Ordinary Annual General Meeting of Shareholders**

**held on April 21, 2016 at 10 a.m.**

**in the “Messe Zürich”, Zürich-Oerlikon, Switzerland**

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Chairman:

Peter Voser  
Chairman of the Board of Directors

Minute-taker:

Diane de Saint Victor  
General Counsel and Secretary of the Board of  
Directors

Vote-counter:

Beda Mrose

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## Agenda

1. Approval of the management report, the consolidated financial statements, and the annual financial statements for 2015
2. Consultative vote on the 2015 remuneration report
3. Discharge of the Board of Directors and of the persons entrusted with management
4. Appropriation of available earnings
5. Capital reduction through cancellation of shares repurchased under the share buy-back program
6. Capital reduction through repayment of nominal value
7. Amendment to the Articles of Incorporation related to the capital reduction
- 8.1 Binding vote on the maximum aggregate amount of compensation of the members of the Board of Directors for the next term of office, i.e. from the 2016 Annual General Meeting to the 2017 Annual General Meeting
- 8.2. Binding vote on the maximum aggregate amount of compensation of the members of the Executive Committee for the next financial year, i.e. 2017
9. Elections to the Board of Directors and election of the Chairman of the Board of Directors
10. Elections to the Compensation Committee
11. Re-election of the independent proxy
12. Re-election of the auditors

The Chairman welcomes the shareholders to the Annual General Meeting of ABB Ltd in Zurich-Oerlikon. He also extends a warm welcome to all participants following the Annual General Meeting on the Internet.

The Chairman further welcomes the many guests at the meeting, including members of the Board of Directors as well as the candidates proposed for election as new members to the Board and the classes from the Zürcher Oberland Cantonal School. He also welcomes representatives of Investor AB and Cevian Capital AB, ABB's largest shareholders.

The Chairman explains what to do if the alarm goes off and indicates the various emergency exits.

The Chairman opens the Annual General Meeting with some formal statements:

The Chairman declares that, in accordance with Article 14 of the Articles of Incorporation, he, as Chairman of the Board of Directors, shall take the chair at the Annual General Meeting. He mentions that Mr. Ulrich Spiesshofer, ABB's Chief Executive Officer, Mr. Eric Elzvik, ABB's Chief Financial Officer and Ms. Diane de Saint Victor, ABB's General Counsel and Secretary to the Board of Directors, are also sitting on the podium, and that other members of the ABB Group Executive Committee are present among the shareholders.

The Chairman appoints Ms. de Saint Victor as minute-taker.

The Chairman then welcomes Mr. Daniel Allemann, Notary from the Oerlikon-Zurich Notary's office, who will draw up a public document relating to the resolution relating to the proposed amendments to the Articles of Incorporation.

The Chairman, further welcomes Dr. Hans Zehnder as the independent proxy exercising voting rights.

The Chairman requests all shareholders wanting to speak during the meeting to come forward, indicate their surname, first name and place of residence, and have themselves entered into the list of people wanting to speak on a particular agenda item. He also asks that shareholders speak only about the agenda item they have chosen to speak about and keep their speeches brief out of consideration for the other shareholders.

The Chairman explains that all the ballots and elections at the Annual General Meeting will be conducted electronically, which is in accordance with Article 17 of the Articles of Incorporation. The voting procedures will be supervised by Mr. Beda Mrose, Head of the Legal Department of ABB Switzerland AG, whom he appoints as vote-counter.

The Chairman states that the auditors are represented by Mr. Leslie Clifford. He also says that in connection with the proposed reduction of the Company's share capital and the available auditors' report required for this under Article 732 of the Swiss Code of Obligations (OR), Mr. Leslie Clifford and Mrs. Robin Ann Errico are present as approved auditing experts and representatives from the Zürich branch of Ernst & Young AG.

The Chairman declares that

- a) the invitation to the Annual General Meeting was published in the "Schweizerisches Handelsamtsblatt" ("Swiss Official Gazette of Commerce") No. 54 of March 17, 2016 and also, in abbreviated form, in various daily newspapers, complying with the statutory notice period of 20 days;
- b) shareholders entered in the share register were additionally notified of the Annual General Meeting by letter dated March 17, 2016 and that, in conformity with the Articles of Incorporation, notice of the agenda items and proposals of the Board of Directors were communicated together with the invitation;
- c) the annual report for 2015 including the management report, annual financial statements, auditors' report on the annual financial statements, consolidated financial statements, auditors' report on the consolidated financial statements, and proposal by the Board of Directors relating to the appropriation of available earnings was mailed upon request; in addition it was available for inspection by shareholders during the statutory time period at the Company's head office, and was posted on the ABB website as well.

The Chairman indicates that the agenda together with the Board of Directors' proposals can be found in the invitation document and declares that neither shareholders' requests in accordance with Article 13 of the Articles of Incorporation for items to be included on the agenda, nor any motions relating to items on the agenda have been received. [The invitation document forms an integral part of the original minutes as Appendix 1.]

The Chairman states that recording of attendance will be carried out by means of bar code and requests shareholders to take their voting cards and their voting keypads with them if they leave the hall during the meeting. The announcement of attendance will be made at a later time.

The Chairman declares that the Annual General Meeting has been convened and constituted in accordance with the formal statutory and legal requirements .

In connection with the presence of the media, the Chairman comments that shareholders who do not wish their identities or comments to be disclosed publicly should make it explicit as they introduce themselves. He expects that the representatives of the media respect these wishes. Representatives from radio and TV stations have received additional written instructions regarding data protection and the protection of privacy rights. In addition, the Chairman points out that for the purposes of keeping the minutes all statements and the overall meeting are recorded.

#### **Discussion of the agenda items**

The Chairman informs the meeting that he will make a few remarks about the financial year 2015 from the point of view of the Board of Directors. After his comments, Mr. Ulrich Spiesshofer, ABB's Chief Executive Officer, will report on the financial year 2015 and provide shareholders with an outlook on the future of the ABB Group.

The Chairman delivers his Chairman's speech. [The Chairman's speech forms an integral part of the original minutes as Appendix 2.]

The Chairman's speech is followed by Mr. Ulrich Spiesshofer's speech. [Mr. Ulrich Spiesshofer's speech forms an integral part of the original minutes as Appendix 3.]

The Chairman thanks Mr. Ulrich Spiesshofer for his remarks.

Meanwhile the Chairman received the attendance figures, enabling him to announce the following: 803 shareholders are present. Adding in the represented shareholders results in an attendance of 1,305,151,281 registered shares at CHF 0.86 with a total nominal value of CHF 1,122,430,101.66. This corresponds to 73.6% of the voting share capital.

The Chairman states that shareholders wanting to be represented at the Annual General Meeting were able to appoint as their proxy another voting shareholder or the independent proxy exercising voting rights, Dr. Hans Zehnder (before the meeting).

The Chairman declares that

- Dr. Zehnder, in his role as independent proxy, represents 937,397,036 registered shares with a total nominal value of CHF 806,161,450.96.

The Chairman declares that the ordinary Annual General Meeting is quorate with regard to all the items included on the agenda. The Annual General Meeting decides on the motions put to the meeting, in accordance with the law and the Articles of Incorporation, with an absolute majority of the represented share votes.

The resolutions on the amendments to the Articles of Incorporation proposed under agenda items 5 (capital reduction through cancellation of shares), 6 (capital reduction through nominal value reduction) and 7 (amendments to the Articles of Incorporation relating to the capital reduction) must be publicly recorded by the notary, Mr. Allemann.

The Chairman points out that the results of all ballots and elections will be recorded in writing by the minute-taker, and comments that any shareholder who would like to have his/her no-votes or abstentions recorded, shall indicate his/her surname, first name, place of residence and the number of no-votes respectively abstentions to the vote-counter to be available for the minutes.

#### **1. Approval of the management report, the consolidated financial statements, and the annual financial statements for 2015**

The Chairman indicates that the consolidated annual financial statements of ABB Ltd, i.e. the group accounts, can be found in the 2015 annual report. They were already commented upon earlier. The consolidated financial statements were audited by Ernst & Young AG. The auditors' report forms part of the annual report. The annual financial statements of ABB Ltd are also included in the annual report. They were audited by Ernst & Young AG, and once again the auditors' report forms part of the annual report.

The Chairman states that the auditors, represented by Mr. Leslie Clifford, have no comments on either the consolidated financial statements or the annual financial statements.

The Chairman points out that ABB's remuneration report will be dealt with under the next agenda item, item 2, and opens the discussion on agenda item 1.

1<sup>st</sup> speaker – Peter Alig, Zürich

The speaker regrets that the performance of the ABB share price, makes him think of the Romansh word for sleeping, "Dorma". It is as if the ABB share has been dormant for quite some time. Whereas shares in, for example, the Augsburg automation-robotics company Kuka have performed very well in comparison. Kuka moves quickly, which ABB does not seem to manage. Therefore, he wonders whether 1,000-day programs are not too slow for implementing a rehabilitation strategy at ABB.

The Chairman thanks the speaker for his observations. He concedes that ABB's operational performance in the last 15 years has not always been what it should have been. The strategy rolled out in 2014 and accelerated in 2015 is addressing key issues in different business areas with a view to allowing ABB to better play to its strengths and at the same time to offer its customers better, innovative and technologically leading-edge products, solutions and systems. The Chairman is convinced that ABB is ideally placed. The restructuring and simplification of its structures have put ABB on the right track, poised to increase its pace and velocity. ABB's structures have been fundamentally addressed, for example, in the "white-collar productivity" program. The company's numerous research and development facilities have been concentrated at selected sites and its experts assembled together in order to improve innovative activity. Its finance, HR and procurement back offices have also been consolidated. In addition, the country organizations are being integrated more into the decision-making process, bringing them closer to the customer so that solutions can be more quickly developed in cooperation with the customer. As a result, ABB is much closer to the market.

The Chairman remarks, further, that transforming the culture of a 125-year-old group takes time and must be worked out together with its employees. As evidenced in the fourth quarter, the first savings have already materialized. The Board of Directors and the Executive Committee continue to work relentlessly on these changes.

2<sup>nd</sup> speaker – Hermann Struchen, Zürich

The speaker points to bad acoustics in the hall which makes it difficult to follow the meeting. He continues by saying that he feels the need to disagree with the remarks made by Mr. Voser and Mr. Spiesshofer – after all, the ABB share price continues to

languish at about CHF 20. He also notes that the dividend is, admittedly, being raised from 72 to 74 centimes but wonders whether in the context of the company's 125<sup>th</sup> anniversary these 2 centimes are the sole anniversary present. He concludes by praising the excellent breakfast and wishes ABB every success in the future.

The Chairman thanks the speaker for his observation about the acoustics and apologizes for the problem. The matter will be addressed so that all shareholders can properly follow the Annual General Meeting even more comfortably. Concerning the dividend, the Chairman refers to the Board of Directors' policy of delivering to shareholders a dividend rising over time, and comments that he sees it as the Board's duty to achieve steady growth of the value of the company and hence also steady growth of its dividend. On the occasion of ABB's 125<sup>th</sup> anniversary, a small present will, indeed, be given at the end of the Annual General Meeting – in the form of Swiss chocolate. The goal of the new strategy is long-term growth of the value of the company, which will allow the Board, on the one hand, to continue ABB's dividend policy but also, on the other, to make investments and acquire businesses that will improve ABB's market positioning and ultimately its share price. The Board of Directors wants a robust and flourishing ABB, which increases in value and demonstrates to the world its solid innovation capacity.

There are no further questions or comments from the floor on this agenda item. Therefore the Chairman moves on to pass a resolution approving the management report, the consolidated financial statements, and the annual financial statements for 2015.

The Chairman declares that the Annual General Meeting has approved the management report, the consolidated financial statements, and the annual financial statements for 2015 with 99.08% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

## **2. Consultative vote on the 2015 remuneration report**

The Chairman starts the discussion on agenda item 2 by explaining that a separate consultative vote on the Company's remuneration report will be held. He provides a brief overview of ABB's compensation policy, observing that full details of the policy can be found on pages 41 ff. of the annual report. Detailed information about the remuneration paid to members of the Board and to members of the ABB Group Executive Committee can also be found on these pages. He explains further that remuneration of the Board of Directors and of the ABB Group Executive Committee is

determined by the Board of Directors, taking into account the recommendations of the Compensation Committee under the leadership of Mr. Michel de Rosen. The Chairman continues by saying that the Board of Directors has adopted a compensation system for its members that requires each member to receive at least 50% of his/her total Board compensation in ABB shares in order to align the interests of the Board with those of the Company over the long term. Finally he notes that the Board compensation structure has been very stable in the last few years.

The Chairman refers to the three components of the remuneration of members of the ABB Group Executive Committee (an annual base salary with increases based on individual performance; a short-term variable compensation that depends on the Company meeting certain financial objectives based on a Group scorecard; and a long-term variable remuneration). He explains that these three components ensure that compensation is linked not only to the short-term success of ABB but also to the Company's performance over the long term. He states that the Compensation Committee regularly reviews remuneration in accordance with European and international practice and reference values.

The Chairman remarks that he is pleased to take questions from shareholders on any of the points already mentioned or that are covered in the remuneration report, and opens the discussion on the remuneration report of ABB Ltd. He asks speakers to come forward to the microphone and to indicate their surname, first name and place of residence. He repeats his request that shareholders limit their comments only to the item under discussion.

### 3<sup>rd</sup> speaker – Brigitte Moser-Harder, Hüntwangen

The speaker suggests that the documents relating to the Annual General Meeting and the annual report should be sent out earlier so that the shareholders have sufficient time to prepare for the meeting and do not have to study them online.

Concerning the remuneration report, she observes that ABB wants to save one billion dollars a year up to the end of 2017, which will also affect the employees. However, this does not seem to be the aim when looking at the compensation of the management. For example in 2015, Mr. Wallenberg received CHF 120,000 more for his new mandate as vice-chairman and member of the Governance and Nomination Committee. The total remuneration of all twelve members of the ABB Group Executive Committee is CHF 45.5 million, their basic salary amounts to CHF 10.5 million. The

fringe benefits and variable bonuses amount to 35 million. On the other hand, the employees at ABB in Turgi will have to pay CHF 40 for their parking space from January 1, 2016 onwards. When savings are being made, a responsible management has to contribute. However, if management increases its own compensation, it acts neither credibly nor in a socially acceptable way. Consequently the speaker recommends to reject the remuneration report as well as both agenda item 8.1 (the binding vote on the maximum total compensation for the Board of Directors of CHF 4.7 million) and agenda item 8.2 (the binding vote on the maximum total compensation for the Executive Committee of CHF 50 million).

The Chairman thanks the speaker for her comments and apologizes for the delays in mailing the documents. The matter will be followed up and improved next year.

Concerning the remunerations mentioned, the Chairman explains that compensation of the Board Members has been very stable over the years. Increase in Mr. Wallenberg's compensation is justified as Mr. Wallenberg took on the position of vice-chairman and acts as an additional link to executive management. Furthermore, the remuneration for the vice-chairman is comparable to compensation level of previous vice-chairmen in the past. Compensation of the ABB Group Executive Committee for 2015 includes significant variable long-term components. Members of the Executive Committee receive a basic salary and in addition variable short-term and long-term compensation. The increase in short-term incentive compensation relative to 2014 is explained by the higher performance of the management in 2015. In addition the Chairman notes that the figures shown in the 2015 remuneration report reflect the provisions for expected compensation but not the actual compensation paid out to executive management. Actual payment only occurs if and when the long-term objectives are met. There are two performance components over a 3 year period relevant for the long-term compensation. One component is based on profit, the other on earnings per share. Consequently, for 2015 incentive compensation payment, what is relevant is the performance in the years 2012, 2013 and 2014. In 2015, for example, the CEO received a higher long-term incentive compensation component, which will only be paid in three years, depending on objectives being met. One part of the remuneration is paid in shares and creates a link between the Executive Committee and Board compensation and development of the share price. The increase of the CEO's long-term compensation is based on the fact that a new CEO receives in his first full year as CEO an allocation of 2/3 on parts of his long-term compensation and 100% in his second full year. This is the normal process in ABB, which was also applied

on Joe Hogan. In addition, the compensation report shows the social security contributions (AHV, IV, Unemployment Insurance) made by the company. The CEO pays his own social security contributions by himself. Finally, insurance contributions amounting to approximately CHF 34,000 need to be added. The Chairman observes that the remuneration system has a long-term focus and that this system was approved last year by the shareholders with a large majority. He also points out that the risks and expectations on the top management are different, and that the executive committee is compensated accordingly. Finally, he remarks that members of the Executive Committee also pay for their parking spaces, namely CHF 120 per month.

There are no further questions or comments on agenda item 2, and so the Chairman moves on to the non-binding consultative vote on the 2015 remuneration report of ABB Ltd.

The Chairman declares that the Annual General Meeting has approved the 2015 remuneration report of ABB Ltd with 75.95% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

The Chairman thanks the shareholders for their approval and for the trust they have expressed.

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

The Chairman states that the Board of Directors proposes that its members and those officers entrusted with management be discharged from their responsibilities for fiscal year 2015. As the Board of Directors and the officers entrusted with management work together as a team, he intends to conduct the vote on discharge for members of the Board of Director and the persons entrusted with management responsibilities together.

There are no questions or comments from the floor on this agenda item, and so the Chairman moves on to the vote, pointing out that any person who has participated in any capacity in managing the business is excluded from voting. This applies also, of course, to any representatives of these persons. The votes of the persons concerned will not be taken into account for this ballot, and the number of represented votes is correspondingly reduced.

The Chairman declares that the Annual General Meeting has granted discharge to the Board of Directors and the officers entrusted with management for the financial year 2015 with 98.64% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

#### **4. Appropriation of available earnings**

The Chairman states that the 2015 consolidated financial statements result in a profit of USD 1,933 million for the year. By contrast, the profit for the year posted by the group holding company, i.e. by ABB Ltd, amounts to CHF 2,974 million. If the profit carried forward from the previous year, amounting to CHF 5,647 million, is added to this, earnings becoming available to the Annual General Meeting amount to CHF 8,621,575,976.

The Chairman refers to the invitation document and states that the Board of Directors proposes to increase the dividend for the financial year 2015 from the previous year's CHF 0.72 by CHF 0.02 to CHF 0.74 per share. The proposal is in line with ABB's dividend policy to distribute over time a sustainable, steadily rising dividend. The Chairman continues by explaining that the Board proposes to pay the dividend by way of a reduction in the nominal (par) value of the ABB share from CHF 0.86 to CHF 0.12. It is expected that the distribution will be made in July 2016.

Accordingly, on behalf of the Board of Directors, the Chairman proposes under agenda item 4 to carry forward the 2015 total available earnings.

He further states that the auditors confirm in their report that this proposal of the Board of Directors relating to the appropriation of available earnings is in accordance with the law and ABB's Articles of Incorporation.

There are no comments from the floor, and so the Chairman moves on to the vote. He declares that the Annual General Meeting has approved the proposal of the Board of Directors relating to the appropriation of available earnings for the year 2015 with 99.01% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

## 5 Capital reduction through cancellation of shares repurchased under the share buy-back program

The Chairman informs the meeting that the Board of Directors proposes to reduce the Company's share capital to CHF 1,904,679,207.04. He explains that the share capital will be decreased through cancellation of 100,000,000 shares with a nominal value of CHF 0.86 each, which shares were bought back by the Company under the share buy-back program announced in September 2014.

The Chairman also states that Ernst & Young AG, as a state-supervised audit firm, confirms in its auditors' report of 30 March 2016 that despite the reduction in the share capital of the company the claims of creditors are fully covered. The capital reduction is expected to take place – together with the capital reduction through repayment of nominal value proposed under agenda item 6 – in July 2016, after the notices to creditors have been published and after any creditors' claims made have been secured.

The Chairman states that the Board of Directors therefore proposes to amend Article 4 Paragraph 1 of the Articles of Incorporation. It is proposed to amend the wording of Article 4 Paragraph 1 in line with the text published in the invitation document. This text is displayed on the screen in front of the shareholders.

Share capital

### Article 4

- 1 The share capital of the Company is CHF 1,904,679,207.04 and is divided into 2,214,743,264 fully paid registered shares. Each share has a par value of CHF 0.86.

There are no questions from the floor regarding this agenda item, and so the Chairman calls upon the meeting to vote. The Chairman declares that the Annual General Meeting has approved the proposal of the Board of Directors to reduce the Company's share capital by repaying nominal value with 98.98% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

## 6 Capital reduction through repayment of nominal value

The Chairman informs the meeting that the Board of Directors proposes to reduce the Company's share capital to CHF 265,769,191.68. He explains that the share capital

will be decreased by reducing the nominal value of each share by CHF 0.74. Thus the nominal value of one share will decrease from CHF 0.86 to CHF 0.12. The Chairman states further that an amount of CHF 0.74 for each share released through the capital reduction will be distributed to the shareholders. This distribution will be made without deduction of Swiss Federal withholding tax. No distribution will be made for treasury shares held by ABB on the qualifying date. However, the nominal value of treasury shares is likewise reduced to CHF 0.12.

The Chairman also states that Ernst & Young AG, as a state-supervised audit firm, confirms in its auditors' report of 30 March 2016 that despite the reduction in share capital, creditors claims are fully covered. The capital reduction is expected to take place – together with the capital reduction by cancellation of shares adopted under agenda item 5 – in July 2016, after the notices to creditors have been published and after any potential creditors' claims have been secured.

The Chairman states that the Board of Directors therefore proposes to amend Article 4 Paragraph 1 of the Articles of Incorporation. It is proposed to amend the wording of Article 4 Paragraph 1 in line with the text published in the invitation document. This text is displayed on the screen in front of the shareholders.

Share capital

**Article 4**

- 1 The share capital of the Company is CHF 265,769,191.68 and is divided into 2,214,743,264 fully paid registered shares. Each share has a par value of CHF 0.12.

The Chairman states further that the capital reduction then makes it necessary to adjust both the nominal value per share and – as a result – the total nominal amount stated in Article 4<sup>bis</sup> Paragraphs 1 (sentence 1) and 4 (sentence 1) as well as in Article 4<sup>er</sup> Paragraph 1 (sentence 1) of the Articles of Incorporation. He refers the shareholders to excerpts from the Articles of Incorporation, which are displayed on the screen in front of the shareholders.

The Chairman opens the discussion on agenda item 6.

4<sup>th</sup> speaker – Bruno Hecht, Bülach

The speaker is concerned that the capital reduction could make ABB an easy target for a takeover. He explains that he now understands why the major investors agree to

the proposed compensations as it will become increasingly easier for them to take over ABB.

The Chairman thanks the speaker for his remarks. He comments that the company belongs to all shareholders and that every shareholder is important for ABB.

Regarding the concerns raised, the Chairman observes that the auditors have confirmed that after the capital reduction, the share capital will still be sufficient to cover claims. He continues by explaining that if ever a company is to be sold, what is relevant is its net asset value. This is reflected in the share price and has nothing to do with the nominal value of the share. If this agenda item is approved, a hostile takeover of ABB will not be facilitated.

There are no further contributions from the floor regarding this agenda item, and so the Chairman calls upon the meeting to vote. The Chairman declares that the Annual General Meeting has approved the proposal of the Board of Directors to reduce the Company's share capital through repayment of nominal value with 99.28% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

## **7. Amendment to the Articles of Incorporation related to the capital reduction**

The Chairman informs the meeting that the capital reduction, through a reduction in nominal value, should not impair the right of a minority shareholder or a group of minority shareholders to include an item for discussion on the agenda of the shareholders meeting. To ensure that this right is not impaired, the Board of Directors proposes to amend the wording of Article 13 Paragraph 1 of the Articles of Incorporation in line with the text published in the invitation document. The text is displayed on the screen in front of the shareholders:

Inclusion on the agenda

### **Article 13**

- 1 One or more shareholders whose combined shareholdings represent an aggregate par value of at least CHF 48,000 may demand that an item be included on the agenda of a General Meeting of Shareholders. Such inclusion must be requested in

writing at least forty days prior to the meeting and shall specify the agenda items and proposals of such shareholder(s).

There are no contributions from the floor regarding this agenda item, and so the Chairman calls upon the meeting to vote on the proposed amendment to Article 13 Paragraph 1. The Chairman declares that the Annual General Meeting has approved the proposal of the Board of Directors to amend the Articles of Incorporation related to the capital reduction with 99.31% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

#### **8.1 Binding vote on the maximum aggregate compensation of the members of the Board of Directors for the next term of office, i.e. from the 2016 Annual General Meeting to the 2017 Annual General Meeting**

The Chairman opens the discussion of this agenda item by informing the meeting that – pursuant to Article 34 of the Articles of Incorporation – the General Meeting of Shareholders shall approve the maximum aggregate amount of compensation for the Board of Directors for the next term of office. The principles of this compensation are set out in the Articles of Incorporation as well as in the Annex to the invitation document and in the 2015 remuneration report.

On behalf of the Board of Directors, the Chairman proposes that the shareholders approve the maximum aggregate amount of compensation of the Board of Directors covering the period from the 2016 Annual General Meeting to the 2017 Annual General Meeting in the amount of CHF 4,700,000.

There are no comments from the floor on this agenda item 8.1, and so the Chairman moves on to the vote on the proposed maximum aggregate amount of compensation of the Board of Directors for the next period of office.

The Chairman declares that the Annual General Meeting has approved the proposed maximum aggregate amount of compensation of the Board of Directors for the next period of office in the amount of CHF 4,700,000 with 97.54% yes-votes, and he thanks the shareholders for the trust they have expressed in the Board of Directors. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

## **8.2 Binding vote on the maximum aggregate compensation of the members of the Executive Committee for the next financial year, i.e. 2017**

The Chairman informs the Annual General Meeting that the Board of Directors proposes that shareholders approve the maximum aggregate amount of compensation of the Executive Committee for the 2017 financial year in the amount of CHF 50,000,000.

There are no comments from the floor on this agenda item 8.2, and so the Chairman moves on to the vote on the proposed maximum aggregate compensation of the members of the Executive Committee for the next financial year.

The Chairman declares that the Annual General Meeting has approved the maximum aggregate compensation of the members of the Executive Committee for the next financial year, i.e. 2017, in the amount of CHF 50,000,000 with 80.85% yes-vote. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

On behalf of the Board of Directors and the Executive Committee, the Chairman thanks the shareholders for the confidence they have expressed in the Board and the Executive Committee.

## **9. Elections to the Board of Directors and election of the Chairman of the Board**

The Chairman notes that the date of the Annual General Meeting coincides with the end of the term of office of all members of the Board of Directors.

The Chairman states that the Board of Directors proposes that four new members should be elected to the Board, namely Mr. Frederico Fleury Curado, Ms. Robyn Denholm, Mr. David Meline, and Mr. Satish Pai. They have been selected with a view to complementing the experience of the current members who are standing for re-election. By bringing to the Board their track records as CEOs and CFOs, their broad experience in the areas of industry and technology, and their geographical knowledge and insights the proposed new candidates are strengthening the Board. Accordingly, standing for election are:

- Matti Alahuhta
- David Constable
- Frederico Fleury Curado
- Robyn Denholm
- Louis R. Hughes
- David Meline
- Satish Pai
- Michel de Rosen
- Jacob Wallenberg
- Ying Yeh, and
- Peter Voser

The Chairman informs the shareholders that they can find brief profiles of the persons proposed for election or re-election to the Board in the invitation to the Annual General Meeting.

The Chairman notes that, as stated in the invitation document, he proposes to elect members to the Board of Directors individually. He also points out that the shareholders' meeting should further elect the Chairman of the Board of Directors and that this election will be carried out together with the (re)election of the members to the Board. Election shall be for a period of office of one year, i.e. until the 2017 ordinary Annual General Meeting. The Chairman comments that prior to the Annual General Meeting some concerns were voiced about Mr. Curado's heavy workload. With his South American background, Mr. Curado is a very important addition for ABB. He will bring to ABB the considerable experience of a global company, broad knowledge in research & development and in manufacturing and quality. In the run-up to the Annual General Meeting, the Nomination Committee and also the Board of Directors discussed this matter in great detail together with Mr. Curado. During 2016, Mr. Curado will be reviewing his total workload and will be in a position to be available to ABB in order to fully discharge his Board duties to the Corporation and his fellow Board members.

The Chairman asks whether anyone wishes to take the floor on this agenda item 9.

5<sup>th</sup> speaker – Hermann Struchen, Zürich

The speaker congratulates the Chairman for conducting the Annual General Meeting in a remarkable way. He is also pleased to see that finally a Swiss citizen heads ABB again and urges the shareholders to re-elect Mr. Voser as Chairman of the Board.

The Chairman thanks the speaker for his comments. He takes them as an incentive to drive ABB forward next year and hopefully also in the years thereafter together with his colleagues and the Executive Committee under the leadership of Mr. Ulrich Spiesshofer, and to make the company a flagship both in our industry and especially in our two home countries, Switzerland and Sweden.

There are no further comments from the floor on this agenda item 9, and so the Chairman moves on to the vote on the election or re-election of the proposed individuals to the Board of Directors.

The Chairman declares that the Annual General Meeting has re-elected Mr. Matti Alahuhta with 98.89% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

The Chairman declares that the Annual General Meeting has re-elected Mr. David Constable with 98.72% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

The Chairman declares that the Annual General Meeting has elected Mr. Frederico Fleury Curado with 62.49% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

The Chairman declares that the Annual General Meeting has elected Ms. Robyn Denholm with 99.13% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

The Chairman declares that the Annual General Meeting has re-elected Mr. Louis R. Hughes with 97.05% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

The Chairman declares that the Annual General Meeting has elected Mr. David Meline with 99.15% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

The Chairman declares that the Annual General Meeting has elected Mr. Satish Pai with 99.09% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

The Chairman declares that the Annual General Meeting has re-elected Mr. Michel de Rosen with 97.38% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

The Chairman declares that the Annual General Meeting has re-elected Mr. Jacob Wallenberg with 98.11% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

The Chairman declares that the Annual General Meeting has re-elected Ms. Ying Yeh with 99.02% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

The Chairman declares that the Annual General Meeting has re-elected himself, Mr. Peter Voser, with 99.12% yes-votes both to the Board of Directors and as Chairman of the Board. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

On behalf of his colleagues, the Chairman thanks the shareholders for the trust they have expressed in the Board of Directors.

## **10. Elections to the Compensation Committee**

The Chairman informs the meeting that the Board of Directors proposes that the following persons to be elected to the Compensation Committee:

- David Constable
- Frederico Fleury Curado
- Michel de Rosen, and
- Ying Yeh.

The Chairman remarks that he proposes to conduct the elections to the Compensation Committee individually. Election shall be for a period of office of one year, i.e. until the completion of the 2017 ordinary Annual General Meeting.

There are no comments from the floor on this agenda item 10, and so the Chairman moves on to the vote on the election of the proposed individuals to the Compensation Committee. The elections take place in the order indicated in the invitation document.

The Chairman declares that Mr. David Constable has been elected with 98.48% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4].

The Chairman declares that Mr. Frederico Fleury Curado has been elected with 61.50% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4].

The Chairman declares that Mr. Michel de Rosen has been elected with 96.91% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4].

The Chairman declares that Ms. Ying Yeh has been elected with 98.51% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4].

#### **11. Re-election of the independent proxy**

The Chairman informs the meeting that the Board of Directors proposes to elect Dr. Hans Zehnder, attorney-at-law and notary, Bahnhofplatz 1, CH-5401 Baden, Switzerland, as the independent proxy.

Election shall be for a period of office of one year, i.e. until the completion of the 2017 ordinary Annual General Meeting. In this regard, the Board of Directors confirms its assessment that the proposed candidate is independent. The Chairman also states that Dr. Zehnder has declared that he is willing to perform the duties of independent proxy, and the Chairman thanks Dr. Zehnder for this.

There are no comments from the floor on this agenda item 11, and so the Chairman moves on to the vote on the election of the independent proxy.

The Chairman declares that Dr. Hans Zehnder has been re-elected with 99.28% yes-votes as independent proxy exercising voting rights. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4].

## 12. Re-election of the auditors

Under this agenda item 12, the Board of Directors proposes that Ernst & Young AG be re-elected as auditors for the financial year 2016.

Ernst & Young AG have declared their willingness to perform their duties as auditors for the financial year 2016. The Chairman thanks them for this.

There are no comments from the floor on this agenda item, and so the Chairman moves on to the vote.

The Chairman declares that Ernst & Young AG have been re-elected as auditors for the financial year 2016 with 98.49% yes-votes. [The vote-counter's report with detailed voting results forms an integral part of the original minutes as Appendix 4.]

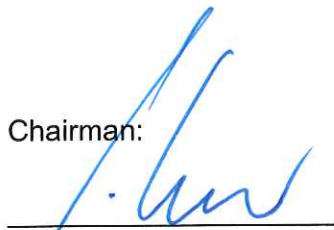
The Chairman notes that the meeting has come to an end. On behalf of the Board of Directors, he warmly thanks the ABB Group Executive Committee and all employees of the ABB Group for their extraordinary commitment. He also thanks the shareholders for the trust they have expressed in the management and the Board of Directors as well as for their long-term commitment to the company.

The Chairman announces that the next ordinary Annual General Meeting will take place on 13 April 2017, and asks shareholders to leave all electronic devices on their chair. Their personal data has been deleted centrally and cannot be accessed or viewed by anybody any more.


The Chairman concludes by confirming that to mark the occasion of the 125<sup>th</sup> anniversary of ABB, ABB is pleased to offer the shareholders a small present as shareholders are leaving this meeting. The Chairman wishes everyone a pleasant and safe journey home.

The Chairman closes the Annual General Meeting at 12.52 p.m.

Chairman:

  
Peter Voser

The minute-taker:

  
Diane de Saint Victor

**Appendices:**

1. Invitation document with the items on the agenda and the proposals of the Board of Directors
2. Peter Voser's speech
3. Ulrich Spiesshofer's speech
4. Vote-counter's report with detailed voting results