



THURSDAY, MARCH 29, 2018, 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, March 29, 2018, 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,

2017 was a transitional year for the world, characterized by an increasing sense of optimism and confidence in the prospects for the global economy even as parts continued to experience some uncertainties. For the first time since the financial crisis of 2008, growth exceeded expectations, and we saw tangible progress in many important emerging sectors. On the energy side, new installations of renewables (solar, wind, etc.) again reached record levels and e-mobility took center stage, with several governments pledging to phase out fossil fuel-powered cars within the next few decades. The oil price stabilized at a higher level and the process industries showed signs of bottoming out, providing further signals for recovery. The impact of digitalization in industry became more evident and we saw businesses ramping up investments in digital solutions. In several countries, most notably China, France and the United States, governments set in motion important changes and reforms focused on the long-term future.

For ABB, 2017 was a transition year. We streamlined and strengthened ABB in 2017, in accordance with our Next Level strategy, further executing on the plan that began in 2014. Now, we have four market-leading divisions. Combining their traditional offering with our ABB Ability™ digital solutions, we have an innovative and truly digital portfolio for customers in utilities, industry and transport & infrastructure that is based on two clear value propositions:

- (1) Bringing electricity from any power plant to any plug; and
- (2) Automating industries from natural resources to finished products.

We drove ABB's transition as the energy system is being transformed by the massive ramp-up of renewables on the supply side of electricity. On the demand side, e-mobility as well as data centers are changing the usage pattern of energy and electricity. At the same time, industry is automating and driving advances in competitiveness at an accelerating pace, thanks to digital solutions, robotics and, increasingly, artificial intelligence. These developments, often termed the Energy Revolution and the Fourth Industrial Revolution, hold out the prospect of a

sustainable energy future as well as major leaps in productivity for all industries.

ABB has consciously and strategically transformed itself to profit from these revolutions. Today, our four divisions are either #1 or #2 globally in their respective markets. Our customers choose us to build stronger, smarter and greener grids; to provide electrification for all points of electrical consumption; to help industries achieve perfection in automation; and to harness robotics and intelligent motion solutions for better productivity.

One of the world's biggest challenges is to decouple economic growth from its environmental impact. To achieve the Paris Agreement target of limiting the rise in global temperatures to fewer than 2 degrees Celsius, the world will need to turn even faster to renewables and e-mobility, as well as dramatically improve energy efficiency. As a global technology leader, ABB is uniquely positioned to help. We have been supporting countries in their efforts to build the necessary infrastructure to move towards a sustainable energy future, and helping industry and cities reduce energy usage.

E-mobility

Our sustainable mobility solutions are winning orders from around the world as the shift to e-mobility picks up speed. ABB today offers globally the entire bandwidth of technologies to enable sustainable transport – from the integration and transport of renewable energy to the fast charging of cars in a truly unique way. Since ABB entered the electric-vehicle charging market back in 2010, we have installed more than 6,500 fast-charging stations in 57 countries, making us the world leader in EV fast-charging. With ABB Ability, our fast-charging stations are connected via a cloud computing platform, enabling integrated vehicle and fleet data management and cashless payments, among other things.

For urban public transport, our high-power charging solutions for electric and hybrid-electric buses have been well received, winning several orders from Volvo buses for Europe and North America. In 2017, our innovative flash-charging technology, which re-charges buses in 20-second bursts at stops, while passengers are embarking and disembarking, went into operation in Geneva, and was chosen for a new bus line in the French city of Nantes.

The Fourth Industrial Revolution

Alongside the energy system, industry is being transformed by rapid technological advances, such as sensors and technologies like machine learning and artificial intelligence, which are now complementing human brain power, as opposed to simply replacing human muscle. To help drive the Fourth Industrial Revolution, we launched in 2017 ABB Ability™, our innovative solutions-based digital offering with more than 210 solutions, based on ABB's comprehensive portfolio, our more than 40 years of experience in industrial software and our domain expertise. ABB Ability is central to our strategy of driving growth through the expansion of high value-add solutions and services. It has been well received by our customers around the world. Among the larger players using our ABB Ability solutions are Shell Oil, CenterPoint Energy, Con Edison, BASF, Royal Caribbean, Cargill, Volvo and BMW.

The Fourth Industrial Revolution is delivering significant improvements in industrial productivity. Over decades, technology has helped lift millions of people into the middle class. Since 1990, the proportion of the world's population living in extreme poverty has declined from one third to

less than 10 percent today. At the same time, however, the pace of technological change and increasing automation is leading to fears of widespread job losses and mass unemployment. As a pioneering technology leader that is playing an active role in the Fourth Industrial Revolution, ABB recognizes this concern and is helping both its customers and its own workforce to adapt. With our automation, robotics and ABB Ability digital solutions, we are shaping companies' and countries' competitiveness and creating prosperity and employment. In 2017, we were again recognized as the market and technology leader in distributed control systems – the brains of process plants and large-scale industrial operations. In the future, there is every reason to believe that the Fourth Industrial Revolution – like its predecessors – will create new industries and, over time, many more jobs to replace those that do disappear.

Delivering on our Next Level strategy

In 2017, our transition year, we delivered four consecutive quarters of rising base-order growth, and positioned ABB for profitable growth as global markets are improving. Today, with our Power Grids and Electrification Products divisions, we hold the #1 position from

‘power plant to plug.’ Taken together, our Industrial Automation and Robotics and Motion businesses put us in a strong #2 position for automation as the only global industrial player that combines measurement and analytics, control solutions for both process and discrete industries, actuation, robotics, digital solutions and electrification.

In 2017, we made significant progress in shifting ABB’s center of gravity towards stronger competitiveness, higher-growth segments and an improved risk profile for our business. Our acquisition of B&R (Bernecker + Rainer Industrie-Elektronik GmbH), the largest independent provider of machine and factory automation solutions, closed a historic gap in our automation portfolio, giving ABB the most comprehensive industrial automation offering in the industry, and opening up significant growth opportunities in the \$20 billion machine and factory automation market.

During the year, we made a number of investments in innovative companies to strengthen our automation and software capabilities, acquiring the communications network business of KEYMILE to strengthen our grid automation capabilities, and Spanish start-up NUB3D, a

leading innovator of 3D measurement, inspection and quality-control solutions, to strengthen our digital portfolio.

In September, we signed the contract to acquire GE Industrial Solutions, GE’s electrification solutions business, which will strengthen our global number two position in electrification and significantly expand our access to the North American market.

We are strategically addressing attractive, fast-growing segments like food and beverage and microgrids as well as focusing on geographical markets such as Africa. In this way, we are driving incremental growth momentum and developing new long-term opportunities for the future.

Finally, we are de-risking ABB and completed the change of our business model for engineering, procurement and construction (EPC). This is being achieved through joint ventures with EPC partners as well as by winding down the turnkey full train retrofit business in our Robotics and Motion division. Continuing our active portfolio management, we are divesting businesses that are no longer core to our portfolio, like we did with the high-voltage cables business in 2017.

In 2017, we continued to further streamline and strengthen our operations in line with our ambition of achieving world-class operational excellence. Our 1,000 day white collar productivity program exceeded its increased targets of reaching an annual savings rate of more than \$1.3 billion by the end of 2017. Over the same period, we reduced working capital significantly and freed up \$1.5 billion in cash.

Following the unfortunate embezzlement scheme that was exposed in our South Korean subsidiary in February 2017, the company took swift and decisive actions. We identified the relevant control issues and remediated the material weakness in our internal controls and replaced the management team in South Korea.

To drive a stronger performance orientation in line with the Next Level strategy, we have transformed our performance and compensation model to focus on individual accountability and responsibility. Today, our compensation system is closely linked with strategy and individual performance. The long-term incentive program for executives is now wholly linked to shareholder returns. More details are described in the compensation section of the Annual Report.

Financial highlights of 2017

The 2017 annual results include the dampening effect of some still-muted market segments as well as of our massive transformation. We have streamlined and strengthened ABB significantly and delivered four consecutive quarters of increasing base-order growth.

Key figures

- Total orders were steady with base orders up 5 percent (comparable) and 6 percent in US dollars.
- Revenues were up 1 percent to \$34.3 billion.
- Operational EBITA margin was 12.1 percent, impacted 30 basis points due to charges related to the EPC businesses. These EPC charges were recorded in Q4.
- Operational earnings per share were 1 percent lower in constant currency terms.
- Cash flow from operating activities was steady compared with 2016 at \$3,799 million.

Looking ahead

Going forward, we have a solid foundation in place and with our streamlined and strengthened portfolio are well positioned in attractive markets. The Board of

Directors' proposal to increase the dividend for the ninth consecutive year demonstrates our confidence in the future.

For our achievements in 2017, our transition year, we would like to thank all of our stakeholders: shareholders, customers, partners and our employees all around the world. ABB's success is made possible by the trust that you, our shareholders and customers, place in our company and our technologies, and because of the fruitful collaboration we have with our partners. Our brand promise, "Let's write the future. Together." demonstrates our belief that we are all working together for a better tomorrow.

We would like extend a special thank you to all our loyal and talented employees for their tremendous contribution. They regularly went the extra mile in 2017 to deliver on our commitments and to ensure that our customers are satisfied in a year of substantial transformation.

Our focus in 2018 is now firmly on relentless execution with the new streamlined and strengthened ABB. With the most focused and clearly articulated portfolio in our industry, we are well positioned for profitable growth in better global markets.

Sincerely,

A handwritten signature in black ink, appearing to read 'Peter Voser', is centered below the word 'Sincerely,'.

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 2017

Proposal

The Board of Directors **proposes** that the management report, the consolidated financial statements and the annual financial statements for 2017 be approved.

Explanation

The management report, the consolidated financial statements and the annual financial statements for 2017 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 2017 Compensation Report

Proposal

The Board of Directors **proposes** that the 2017 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 for 2017. The 2017 Compensation Report 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 2017.

4. Appropriation of earnings

Proposal

Net income for 2017	CHF	949,740,015
Carried forward from previous year	CHF	7,964,924,704
Cancellation of repurchased shares	CHF	(916,115,595)
Earnings available to the Annual General Meeting	CHF	7,998,549,124

The Board of Directors **proposes** that out of the earnings available to the Annual General Meeting, a dividend of CHF 0.78 gross per registered share be distributed. Calculated on the total number of issued shares of 2,168,148,264, this corresponds to a maximum total amount of CHF 1,691,155,645.92.

The first trading day ex-dividend is expected to be April 4, 2018. The payout date in Switzerland is expected to be April 6, 2018. 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. Amendments to the Articles of Incorporation

5.1. Addition to Article 2 – Purpose

Proposal

The Board of Directors **proposes** to add a new paragraph 4 to article 2 of the Articles of Incorporation (underlined):

Article 2 – Purpose

- 1 The purpose of the Company is to hold interests in business enterprises, particularly in enterprises active in the areas of industry, trade and services.
- 2 The Company may acquire, encumber, exploit or sell real estate and intellectual property rights in Switzerland and abroad and may also finance other companies.
- 3 The Company may engage in all types of transactions and may take all measures

that appear appropriate to promote, or that are related to, the purpose of the Company.

4 In pursuing its purpose, the Company shall strive for long-term sustainable value creation.

[Article 2 para. 1–3 remain unchanged.]

Explanation

ABB is committed to operate its business in a sustainable way with a focus on long-term value creation. To emphasize this, the Board of Directors proposes to expressly state this approach in the Company's Articles of Incorporation.

5.2. Deletion of Section 9: Transitional Provisions/ Article 42

Proposal

The Board of Directors **proposes** to delete Section 9: Transitional Provisions/ Article 42 of the Articles of Incorporation with the following wording:

Section 9: Transitional Provisions Article 42

1 Art. 38 shall enter into force following the Company's 2015 Ordinary General Meeting of Shareholders.

Explanation

The transitional period as defined in article 42 has expired. Therefore, the provision is obsolete and section 9, which only includes article 42, can be deleted.

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

6.1. Binding vote on the maximum aggregate amount of compensation of the Board of Directors for the next term of office, i. e. from the 2018 Annual General Meeting to the 2019 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 2018 Annual General Meeting to the 2019 Annual General Meeting in the amount of CHF 4,700,000.

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.

6.2. Binding vote on the maximum aggregate amount of compensation of the Executive Committee for the following financial year, i. e. 2019

Proposal

The Board of Directors **proposes** that shareholders approve the maximum aggregate amount of compensation of the Executive Committee for the financial year 2019 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.

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 completion of the Annual General Meeting on March 29, 2018.

Proposal

All current members of the Board of Directors stand for re-election except Ying Yeh and Louis R. Hughes. In addition, the Board of Directors proposes to elect Jennifer Xin-Zhe Li, Geraldine Matchett and Gunnar Brock as new members 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 2019. 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 AB Volvo (Sweden). He has formerly served as president and CEO of KONE Corporation and in several executive positions at 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 CEO 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.



Gunnar Brock (as Director)

Gunnar Brock is currently chairman of the boards of directors at Mölnlycke Health Care AB and Stena AB (both Sweden). He is a board member, among others, at Syngenta Ltd (Switzerland), Investor AB, Patricia Industries AB and the Stockholm School of Economics (all Sweden). He has formerly served as president and CEO of Atlas Copco AB and Thule Group AB (both Sweden) as well as of Alfa Laval Ltd and Tetra Pak International Ltd (both Switzerland). Mr. Brock was born in 1950 and is a Swedish citizen.



Frederico Fleury Curado (as Director)

Frederico Fleury Curado has been a member of ABB's Board of Directors since April 2016. In October 2017 he became CEO of Ultrapar Participações S.A. (Brazil). He is a member of the board of directors of Transocean Ltd. (Switzerland). He was 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 has been a member of ABB's Board of Directors since April 2017. He is co-founder and managing partner of Cevian Capital. Mr. Förberg was born in 1965 and is a Swedish citizen.

**Jennifer Xin-Zhe Li (as Director)**

Jennifer Xin-Zhe Li is a member of the boards of directors of Philip Morris International Inc. (U.S.), HSBC Asia (Hong Kong) and Flex Ltd (Singapore/U.S.). Ms. Li is CEO (General Managing Partner) of Baidu Capital (P.R.C.). From 2008 to 2017, she served as CFO of Baidu Inc. (P.R.C.). Prior to joining Baidu, she held a range of senior financial positions at General Motors Company (U.S.). Ms. Li was born in 1967 and is a Canadian citizen. She works and lives in China.

**Geraldine Matchett (as Director)**

Geraldine Matchett has been CFO and member of the managing board of Royal DSM N.V. (The Netherlands) since 2014. She was previously CFO at SGS Ltd (Switzerland). Prior to joining SGS she worked as an auditor at Deloitte Ltd (Switzerland) and KPMG LLP (U.K.). Ms. Matchett was born in 1972 and is a Swiss, British and French citizen.

**David Meline (as Director)**

David Meline has been a member of ABB's Board of Directors since April 2016. He is CFO of Amgen Inc. (U.S.). From 2008 to 2014, he was with 3M Company (U.S.), where he served as CFO. 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.



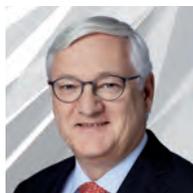
Satish Pai (as Director)

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 board of directors of the Knut and Alice Wallenberg Foundation (Sweden) and vice chairman of the Swedish-American Chamber of Commerce (U.S.). Mr. Wallenberg was born in 1956 and is a Swedish 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 Holding Ltd (Switzerland), IBM Corporation (U.S.) and Temasek Holdings (Private) Limited (Singapore). He is also a member of the board of Catalyst (U.S.), a non-profit organization. In addition, he is the chairman of the board of trustees of the St. Gallen Foundation for International Studies. He was CEO 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 proposes Jennifer Xin-Zhe Li, Geraldine Matchett and Gunnar Brock as new members for election. They will bring to the Board a mix of CEO, CFO, industry, technology and geographic/regional experience that complements the experience of the current members who are standing for re-election. 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.

8. Elections to the Compensation Committee

Proposal

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

- David Constable
- Frederico Fleury Curado
- Jennifer Xin-Zhe Li

to the Compensation Committee for a term of office of one year extending until completion of the Annual General Meeting 2019. 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.

9. 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 2019.

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.

10. Election of the auditors

Proposal

The Board of Directors **proposes** that KPMG AG, Zurich, be elected as auditors for the financial year 2018.

Explanation

Ernst & Young has been ABB's auditors since 2001. Following a year-long comprehensive external tender process initiated in 2016, and in line with international practices of good corporate governance, the Board of Directors proposes a change of the auditors and that KPMG be elected as auditors.

Zurich, February 27, 2018

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 March 21, 2018, 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 March 23, 2018 (by mail), or March 27,

2018 (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 March 27, 2018.

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 December 31, 2017, the total number of shares and votes in ABB Ltd was 2,168,148,264. As of the same date, the Company held 29,541,775 treasury shares, corresponding to 29,541,775 votes. The voting rights in treasury shares cannot be exercised at the Annual General Meeting.

Translation

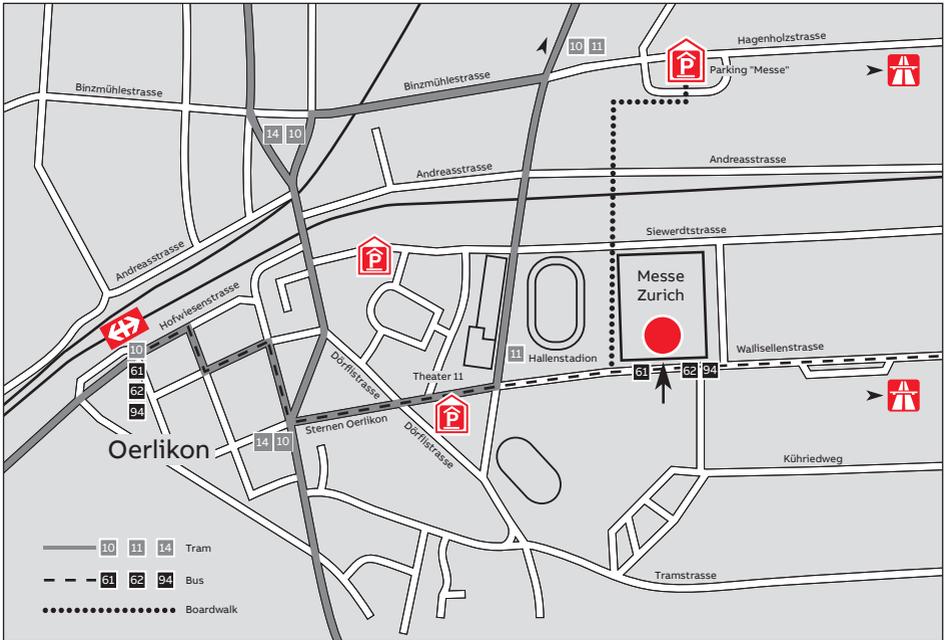
The Annual General Meeting will be conducted primarily in German. Translation into English will be available.

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 6

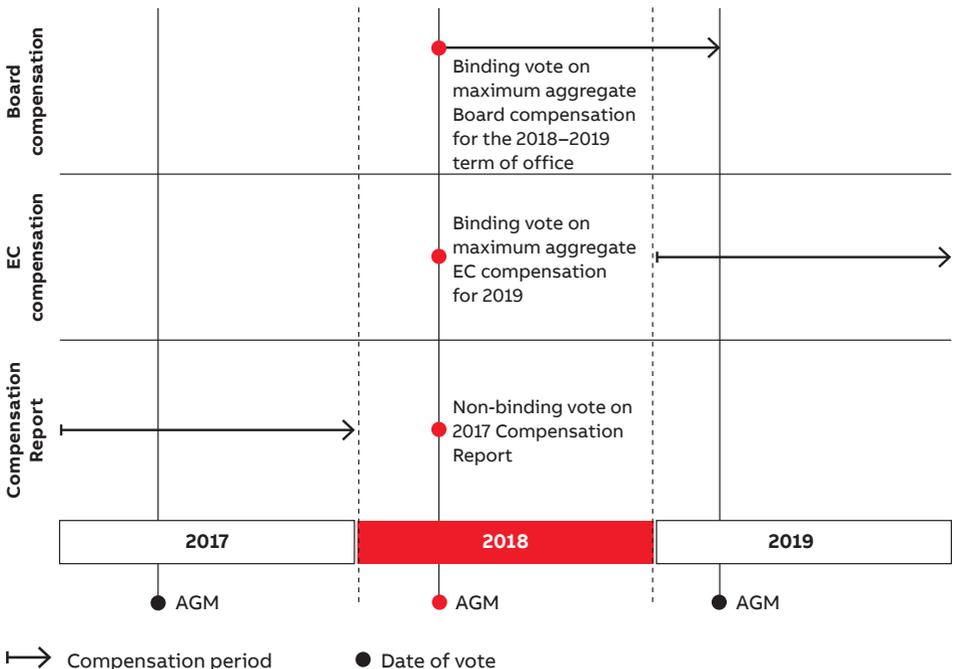
(Binding votes on the compensation of the Board of Directors and the Executive Committee)

Introduction

At the 2018 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 2018–2019 term of office

and on the maximum aggregate compensation for 2019 of the Executive Committee (EC). There will also be a non-binding vote on the 2017 Compensation Report.

Overview of compensation votes at the 2018 Annual General Meeting



6.1. Binding vote on the maximum aggregate amount of compensation of the Board of Directors for the next term of office, i. e. from the 2018 Annual General Meeting to the 2019 Annual General Meeting

The Board is proposing to increase the number of Board members to 11 in the 2018–2019 term of office compared with 10 in the 2017–2018 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 4,700,000.

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 2017 Compensation Report, which can be found in the Annual Report.

6.2. Binding vote on the maximum aggregate amount of compensation of the Executive Committee for the following financial year, i. e. 2019

ABB has progressively increased the performance orientation of its compensation system while better aligning it to the Company's Next Level Strategy and including inputs from shareholders and other stakeholders. Further information regarding Executive Committee compensation, including the proposed changes for 2018, is available in the 2017 Compensation Report, which can be found in the Annual Report.

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 of the long-term incentive plan.

The proposed maximum aggregate EC compensation for 2019 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 112.5 percent of the reference grant size for 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.

The chart below shows the expected development of aggregate EC compensation from 2017 to 2019.

Overview of considerations in calculation of maximum aggregate EC compensation¹

	2017			2018	2019
Aggregate EC compensation in CHF (millions)	<p>The chart displays aggregate EC compensation in CHF (millions) for 2017, 2018, and 2019. For 2017, three bars are shown: a light grey bar for 'Actual' at 44, a medium grey bar for 'Target' at 47, and a dark grey bar for 'Maximum (approved at 2016 AGM)' at 50. For 2018, a dark grey bar for 'Maximum (approved at 2017 AGM)' is shown at 52. For 2019, a dashed dark grey bar for 'Maximum (to be requested at 2018 AGM)' is shown at 52.</p>				
Assumptions					
Short-term variable compensation payout percentage		100%	150%	150%	150%
Adjustment of LTIP grant size		0%	+12.5% ³	+12.5% ³	+12.5%
Number of EC members		11	11	11	11

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

² Excluding one-time share grant for incoming CFO as replacement of benefits foregone from his previous employer.

³ This 12.5% applied on the entire LTIP is equivalent to 25% applied to the P1 component in the design of the 2017 LTIP.



Contact us

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