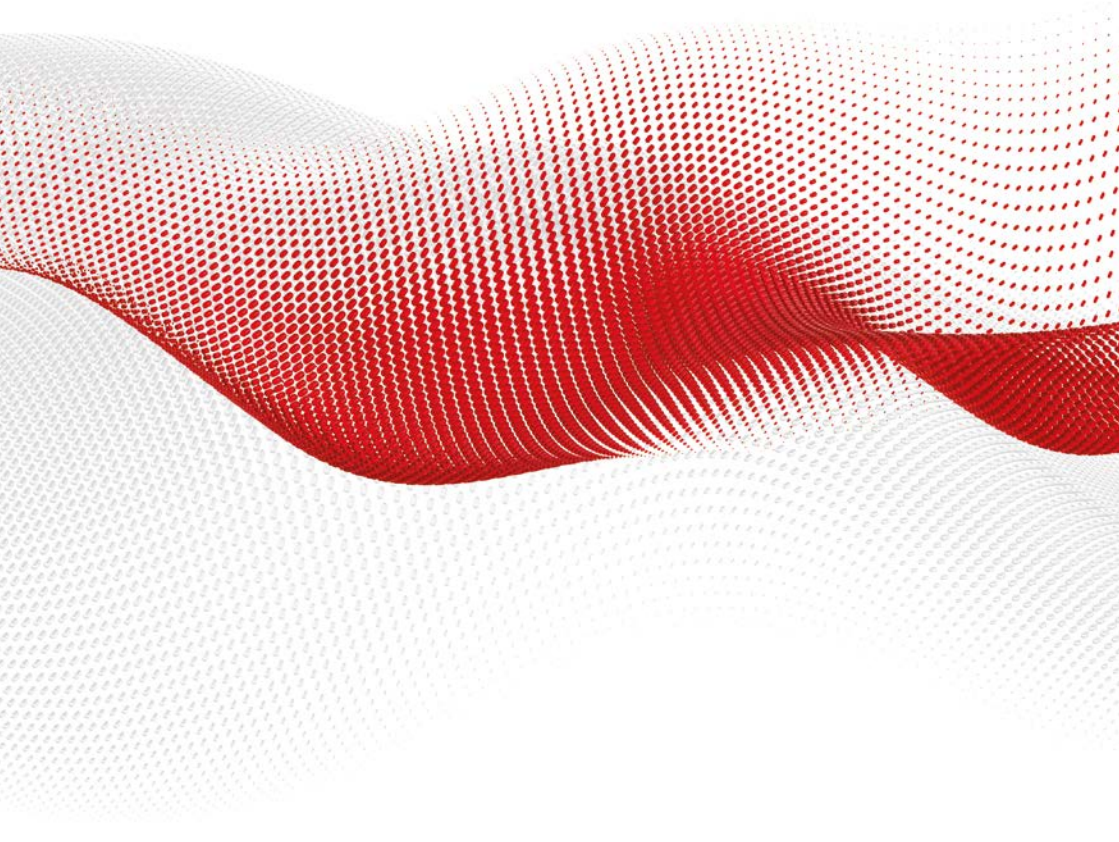




THURSDAY, MAY 2, 2019, AT 10:00 A.M.

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, May 2, 2019, 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,

Our world is changing – faster than ever. Digital technologies have already revolutionized the way we communicate, shop and bank. Now they are starting to transform industries and the entire “B2B” space. In the years ahead, new technologies will influence the way we power our societies, produce our goods and services, and how we work, live and move.

Over the past few years, with the execution of ABB's strategy, we have laid the foundation for our businesses to compete in fast-changing digital industries and deliver profitable growth. In 2018, we posted solid order and revenue growth: total orders were up 8 percent (comparable), having risen in all divisions and regions, and revenues increased 4 percent for the full year. Our Net Promoter Score measure of customer satisfaction increased to 57, having tripled since 2010. Our operational EBITA margin, our main measure of profitability, was slightly lower (–0.3 percent), impacted by stranded costs due to the announced divestment of our Power Grids business, charges for legacy non-core projects and the expected dilution effect of our acquisition of GE Industrial Solutions in 2018.

In 2019, we are embarking on a new chapter at ABB, in which we will build on our technology and talented global employee base to further strengthen our focus in digital industries. Our ambition: to deliver attractive returns to our shareholders; to support our customers with innovative solutions that drive their productivity and competitiveness while helping them digitalize their businesses; and to provide our employees and partners with new opportunities to grow, develop and realize their full potential.

To focus our portfolio on digital industries and deliver on these ambitions, we have agreed to divest our Power Grids business to Hitachi, simplify our business model and structure, and shape four leading businesses in line with the way our customers operate. Our businesses will be designed to tap the opportunities of emerging technologies such as artificial intelligence and will be given the maximum amount of entrepreneurial freedom to compete in fast-changing markets.

Our decision to divest the Power Grids business reflects the growing difference in customer needs between the large-scale infrastructure, utility and industry sectors. The utility customer base is

consolidating, and we see a re-convergence of power generation and power grids. Increasing project sizes for and changes in the commercial pattern of utility customers also often require suppliers like ABB to provide access to project financing.

Having turned around Power Grids over the past few years and increased its value significantly, we decided that the future development of the business would be best served under Hitachi's ownership, given its leading position in energy infrastructure and its long-term perspective for the power business. Hitachi's commitment to retain Power Grids' employees and to keep its headquarters in Switzerland also played a part in our decision. Initially, ABB will retain a minority shareholding in a joint venture to ensure the smooth transition to Hitachi for customers, employees and partners alike. We intend that our shareholders will directly benefit through the return of the net proceeds of the divestment.

As we focus our portfolio on digital industries, we will simplify our organization by discontinuing our legacy matrix structure to achieve zero-distance to customers, increased agility in decision-making, and

a stronger entrepreneurial culture within our businesses.

Our new ABB

Our new ABB will span a comprehensive offering covering electrification, automation, robotics and digitalization, positioning us to write the future as a customer-focused technology leader in digital industries. With our four leading businesses, we will address a market worth more than \$410 billion and growing by 3.5–4 percent per annum. By 2025, that market is expected to expand by \$140 billion to \$550 billion.

Our Electrification business offers a portfolio of products, digital solutions and services, from substation to socket. In 2018, we strengthened the business' #2 market position through the acquisition of GE Industrial Solutions, GE's global electrification solutions business, which will contribute to our growth and competitiveness in key markets, particularly North America. Our Electrification business has strong exposure to rapidly growing customer segments, including e-mobility, data centers and smart buildings.

Our Industrial Automation business offers a range of solutions for process and

hybrid industries, including our industry-specific integrated automation, electrification and digital solutions, control technologies, software and advanced services, as well as measurement & analytics, marine and turbocharging offerings. Industrial Automation is #2 in the market globally.

Our Motion business provides customers with a range of electrical motors, generators, drives and services, as well as integrated digital powertrain solutions. Motion is the #1 player in the market globally.

Our Robotics & Discrete Automation business combines our machine and factory automation solutions, mainly from B&R, which we acquired in 2017, with a comprehensive robotics solutions and applications suite. The business is #2 globally, with a #1 position in robotics in the important, high-growth Chinese market, where we are expanding our innovation and production capacity by investing in a new robotics factory in Shanghai.

Sound financial profile

Our new ABB has a sound financial profile with significant long-term growth possibilities. It would have generated revenues of approximately \$29 billion in 2018.

Going forward, we will pursue a growth strategy based on the following medium-term financial framework:

- 3–6 percent annual comparable revenue growth
- operational EBITA margin of 13–16 percent
- return on capital employed (ROCE) of 15–20 percent
- cash conversion to net income of approximately 100 percent
- basic EPS growth above revenue growth

Our company's capital allocation priorities are to fund organic growth, R&D, capex and value-creating acquisitions. We remain committed to delivering a rising, sustainable dividend – the Board of Directors will propose a dividend of CHF 0.80 per share to shareholders at the Annual General Meeting on May 2 – and to returning additional cash to shareholders. Following the divestment of 80.1 percent of Power Grids, ABB intends to return the net cash proceeds of \$7.6–7.8 billion to shareholders in an expeditious and efficient manner.

Investing in technology...

Including amounts in our Power Grids business, ABB invests approximately \$1.4 billion in research and development every year, corresponding to around 4 per cent of our revenues. In 2018, thanks to our focus on innovation, we launched several new solutions and technologies that strengthened our ABB Ability™ digital offering and contributed to further improving the efficiency, productivity and security of our customers' operations.

We advanced our leading position in the charging technology for electric vehicles (EVs) with the launch of our Terra High Power charger, which at full power, 350 kilowatts, can add up to 200 kilometers of range to an EV in just eight minutes, making it ideally suited for use at highway rest stops and filling stations.

We continued to extend our global network of ABB Ability™ Collaborative Operations Centers with a new center for mining customers in Västerås, Sweden, which monitors the health, performance and location of equipment in mines, allowing engineers to quickly diagnose potential issues, advise on preventive maintenance, and recommend measures to improve performance.

In December we achieved a breakthrough in autonomous shipping when our new intelligent autopilot, ABB Ability™ Marine Pilot Control, allowed a ferry captain to remotely pilot a passenger ferry through a test area in Helsinki harbor.

In robotics, we launched several new solutions, including a single-arm YuMi® robot and a new modular product platform design, allowing us to offer customers more types of robots which we can combine into an almost infinite number of tailored solutions.

In January 2018, we became title sponsor of Formula E, the world's first fully electric international FIA motorsport series, further strengthening ABB's brand recognition as leader in electrification and e-mobility. The ABB FIA Formula E Championship, as it is now known, provides a competitive platform to develop and test e-mobility-relevant electrification and digitalization technologies under secure conditions. Together, we are helping to push the boundaries of e-mobility, while raising awareness of e-mobility as an alternative to fossil fuels.

...and in people

ABB's two key strengths have always been our technologies and our people, and in 2018 we continued to build a values-driven culture to attract and retain the best talent. In the new ABB, we will further develop our efforts to put safety, integrity and the customer at the center of our attention, while strengthening our performance-driven entrepreneurial culture.

To help our employees hone their skills and to support better collaboration between digital natives and experienced engineers, we continued to provide training and development opportunities to thousands of employees through various courses and our ABB University, which provides up-to-date expertise in new technologies and solutions. Our Global Trainee Program continued to give recent graduates opportunities to develop leadership skills, deepen their understanding of their chosen disciplines, and gain insights into business strategy. Additionally, we launched a partnership with the Nobel Foundation to celebrate science and innovation and inspire the next generation of pioneers.

Our focus on our people has made ABB a preferred employer in key markets. For the past two years, we have been ranked in key countries as one of the most attractive employers among engineering students, ahead of many other technology companies.

In 2018, we strengthened our Board of Directors with three new members, who bring a wealth of experience from their respective fields: Jennifer Xin-Zhe Li is a founder and general partner of Changcheng Investment Partners; Geraldine Matchett is Global CFO of Royal DSM; and Gunnar Brock is the former President and CEO of Atlas Copco Group. Today, the ABB Board of Directors has a broad combination of expertise in the fields of digitalization, finance, software, marketing and research, and development and manufacturing as well as in markets around the world.

Looking ahead

The journey to our new ABB has only been possible with the support of all our stakeholders, and especially our employees, whose commitment and dedication have made our businesses what they are today. We would like to extend a special thank-you to all our employees for their significant contributions. In ABB's next stage, we will continue to build on our technologies and our talented global employee base to better serve our customers, provide greater opportunities for our employees, and deliver for shareholders, while securing the best long-term future for our company and its stakeholders.

Let's write the future. Together.

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 2018

Proposal

The Board of Directors **proposes** that the management report, the consolidated financial statements and the annual financial statements for 2018 be approved.

Explanation

The management report, the consolidated financial statements and the annual financial statements for 2018 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 2018 Compensation Report

Proposal

The Board of Directors **proposes** that the 2018 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 2018. The 2018 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 2018.

4. Appropriation of earnings

Proposal

Net income for 2018	CHF	1,297,584,048
Carried forward from previous year	CHF	6,716,999,423
Earnings available to the Annual General Meeting	CHF	8,014,583,471

The Board of Directors **proposes** that out of the earnings available to the Annual General Meeting, a dividend of CHF 0.80 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 1,734,518,611.20.

The first trading day ex-dividend is expected to be May 6, 2019. The payout date in Switzerland is expected to be May 8, 2019. 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. 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 May 2, 2021, 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

- 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 May 2, 2021. 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 13, 2019. The proposed renewal will provide additional financial flexibility for the Company. The authorized share capital is not for use in connection with employee share plans.

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 2019 Annual General Meeting to the 2020 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 2019 Annual General Meeting to the 2020 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. 2020

Proposal

The Board of Directors **proposes** that shareholders approve the maximum aggregate amount of compensation of the Executive Committee for the financial year 2020 in the amount of CHF 55,500,000.

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 May 2, 2019.

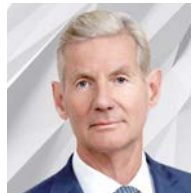
Proposal

The Board of Directors **proposes** that the persons presented below be elected as members to the Board of Directors for a term of office extending until completion of the Annual General Meeting 2020.



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 was previously the president and chief executive officer of KONE Corporation and he served in several executive positions at Nokia Corporation (Finland). Mr. Alahuhta was born in 1952 and is a Finnish citizen.



Gunnar Brock (as Director)

Gunnar Brock has been a member of ABB's Board of Directors since March 2018. He is currently chairman of the boards of Slättö Invest AB, Mölnlycke Health Care AB and Stena AB (all Sweden). He is a member of the boards of directors of Syngenta Ltd (Switzerland), Investor AB and Patricia Industries (both Sweden). He was formerly president and chief executive officer of Atlas Copco AB (Sweden). Mr. Brock was born in 1950 and is a Swedish citizen.



David Constable (as Director)

David Constable has been a member of ABB's Board of Directors since April 2015. 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.). He was formerly the chief executive officer and president as well as a member of the board of directors of Sasol Limited (South Africa). He joined Sasol after more than 29 years with Fluor 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 the chief executive officer of Ultrapar Participações S.A. (Brazil) and a member of the board of directors of Transocean Ltd. (Switzerland). He was formerly the chief executive officer of Embraer S.A. (Brazil). 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 is the chairman of the Human Practice Foundation (Denmark). Mr. Förberg was born in 1965 and is a Swedish citizen.



Jennifer Xin-Zhe Li (as Director)

Jennifer Xin-Zhe Li has been a member of ABB's Board of Directors since March 2018. She 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 a founder and general partner of Changcheng Investment Partners (P.R.C.) and was previously the chief executive officer (general managing partner) of Baidu Capital (P.R.C.). She formerly served as chief financial officer of Baidu Inc. (P.R.C.). Ms. Li was born in 1967 and is a Canadian citizen.



Geraldine Matchett (as Director)

Geraldine Matchett has been a member of ABB's Board of Directors since March 2018. She is the chief financial officer and a member of the managing board of Royal DSM N.V. (The Netherlands). She was previously chief financial officer of 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 the chief financial officer of Amgen Inc. (U.S.). Mr Meline was formerly with the 3M Company (U.S.), where he served as chief financial officer. 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.



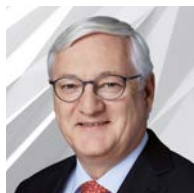
Satish Pai (as Director)

Satish Pai has been a member of ABB's Board of Directors since April 2016. He is the managing director and a 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, FAM AB and Patricia Industries (all Sweden). He is also a member of the boards of directors of Nasdaq, Inc. (U.S.) and the Knut and Alice Wallenberg Foundation (Sweden) as well as a member of the nomination committee of SAS AB (Sweden). 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 Catalyst (U.S.), a non-profit organization. He is also a member of the board of directors of Temasek Holdings (Private) Limited (Singapore) as well as deputy chairman of the board of PSA International Pte Ltd (Singapore), one of its subsidiaries. In addition, he is the chairman of the board of trustees of the St. Gallen Foundation for International Studies. He was previously the chief executive officer of Royal Dutch Shell plc (The Netherlands). Mr. Voser was born in 1958 and is a Swiss citizen.

Explanation

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. Following a detailed review process, the Board of Directors determined that it currently has the right mix of CEO, CFO, industry, technology and geographic/regional experience. Therefore, the Board of Directors is nominating all current members for re-election.

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 extending until completion of the Annual General Meeting 2020.

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, 5400 Baden, Switzerland

as independent proxy for a term of office extending until completion of the Annual General Meeting 2020.

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 2019.

Zurich, April 1, 2019

ABB Ltd

Board of Directors

Organizational topics

Annual Report

As from April 11, 2019, the Annual Report will be available to the shareholders for inspection 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 also be available electronically under www.abb.com/agm and will be mailed on request.

Registration and admission cards

Shareholders entered in the share register with the right to vote on April 24, 2019, 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 26, 2019 (by mail or 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, 5400 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. 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 26, 2019.

For further information as well as instructions on how to register and vote electronically, please refer to 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, 2018, the total number of shares and votes in ABB Ltd was 2,168,148,264. As of the same date, the Company held 36,185,858 treasury shares, corresponding to 36,185,858 votes. The voting rights in treasury shares cannot be exercised at the Annual General Meeting.

Translation

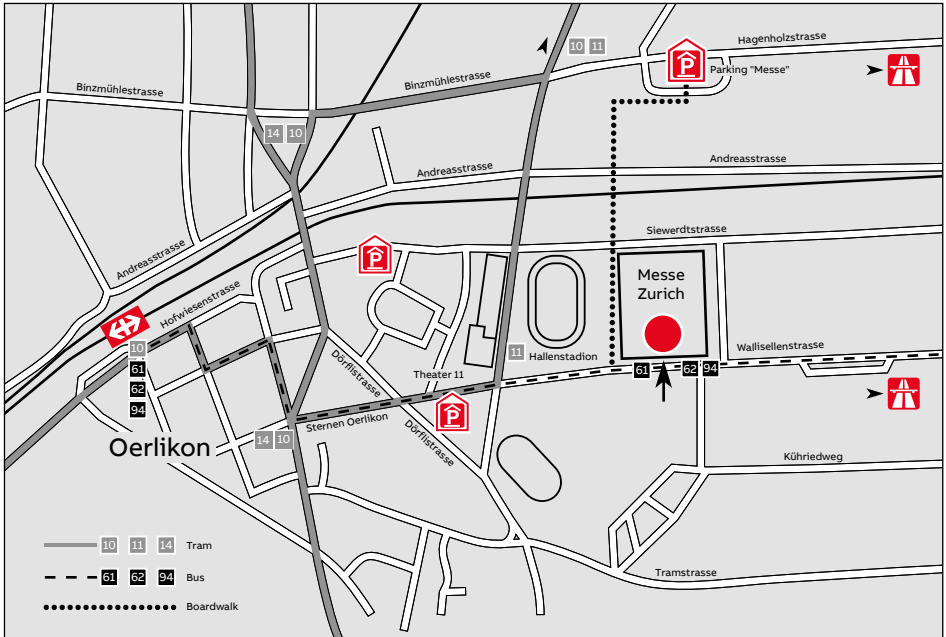
The Annual General Meeting will be conducted primarily in German. Translation into English will be available.

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

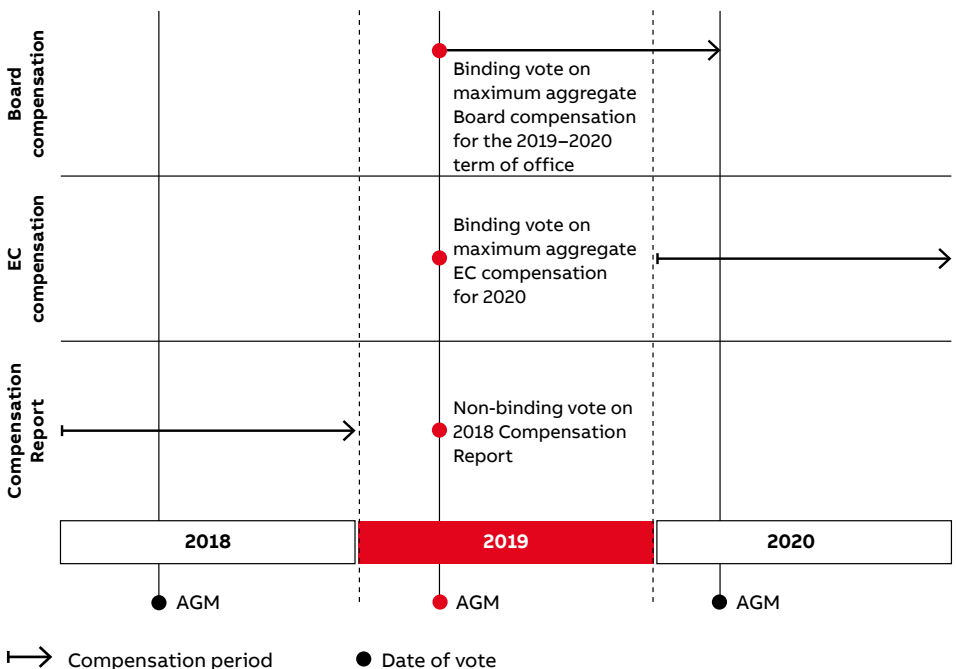
(Binding votes on the compensation of the Board of Directors and the Executive Committee)

Introduction

At the 2019 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 2019–2020 term of office

and on the maximum aggregate compensation of the Executive Committee (EC) for 2020. There will also be a non-binding vote on the 2018 Compensation Report.

Overview of compensation votes at the 2019 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 2019 Annual General Meeting to the 2020 Annual General Meeting

The Board is proposing to maintain the same number of Board members for the 2019–2020 term of office as for the 2018–2019 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 2018 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. 2020

ABB has progressively increased the performance orientation of its compensation system while better aligning it to the Company's strategy, taking into consideration inputs from shareholders and other stakeholders. Further information regarding Executive Committee compensation, including the proposed changes for 2019, is available in the 2018 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 2020 of CHF 55,500,000 would only be reached if EC members meet the performance criteria for a 150 percent award under the short-term incentive (STI) variable compensation plan and a maximum allocation of 112.5 percent of the reference grant size under the

long-term incentive (LTI) plan. Over the last 3 years, this level of STI award and LTI allocation for all EC members, on an aggregate basis, has not occurred at ABB.

The proposed maximum aggregate EC compensation reflects the impact of the transition to the previously announced new organizational structure which, for 2020, leads to the addition of one more EC member. Beyond 2020, the number of EC members is expected to decrease because of the elimination of the legacy matrix structure, which is in turn expected to lead to a reduction in the maximum aggregate compensation requested for approval by shareholders.

The chart below shows the expected development of aggregate EC compensation from 2018 to 2020.

Overview of considerations in calculation of maximum aggregate EC compensation¹

	2018			2019	2020
Aggregate EC compensation in CHF (millions)	39.8	42.5	52	52	55.5
	Actual	Target	Maximum (approved at 2017 AGM)	Maximum (approved at 2018 AGM)	Maximum (proposed at 2019 AGM)
Assumptions					
Short-term variable compensation payout percentage		100%	150%	150%	150%
Adjustment of LTIP grant size		0%	+12.5%	+12.5%	+12.5%
Number of EC members		11	11	11	12

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

Contact us

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