



# Invitation to the Annual General Meeting of ABB Ltd, Zurich

THURSDAY, MARCH 24, 2022,  
AT 10:00 A.M.

HALLE 550, BIRCHSTRASSE 150,  
8050 ZURICH, SWITZERLAND

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# Invitation

## Dear Shareholders,

On behalf of the Board of Directors, I am pleased to invite you to vote on our proposals at ABB's Annual General Meeting 2022. Despite the recent relaxation of COVID-19 protection measures, we decided to proceed with a virtual annual general meeting without personal attendance of shareholders, in the interest of everybody's health and safety. We thank you for your understanding and offer you – in addition to voting via our independent proxy – the possibility to submit questions ahead of the meeting. Our virtual AGM will be broadcast live on our website (see page 11).

2021 was another turbulent year, due to continued outbreaks of COVID-19. However, our high level of preparedness helped us protect our people and keep our operations running. Strong demand boosted our order and revenue growth, but supply-chain disruptions caused delays in deliveries to customers in the second half of the year. Overall, we are pleased with ABB's financial performance, which has improved significantly compared with pre-pandemic times.

Against that backdrop, we continued to transform ABB by moving accountability

to our Divisions, increasing efficiency, and making our operations safer and more sustainable. In line with our strategy of active portfolio management, we plan to spin off our Turbocharging Division. In that event, we would invite shareholders to an extraordinary general meeting to seek their approval. We are also moving ahead with efforts to separately list our E-mobility business and we aim to complete this during the second quarter. ABB would retain a majority shareholding in the future listed entity.

With these achievements and steps, we are living up to our Purpose of creating superior, sustainable value, and strengthening our focus on electrification and automation, which are key technologies to reduce emissions and enable a more sustainable future.

Thank you for your continued trust and support.

Yours 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 2021

### Proposal

The Board of Directors **proposes** that the management report, the consolidated financial statements and the annual financial statements for 2021 be approved.

### Explanation

The management report, the consolidated financial statements and the annual financial statements for 2021 are available for inspection by the shareholders at the seat of the Company. They are also available electronically under [www.abb.com/agm](http://www.abb.com/agm).

## 2. Consultative vote on the 2021 Compensation Report

### Proposal

The Board of Directors **proposes** that the 2021 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 2021. The 2021 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](http://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 2021.

## 4. Appropriation of earnings

### Proposal

Net income for 2021	CHF	1,610,798,310
Carried forward from previous year	CHF	9,565,644,768
Cancellation of repurchased shares	CHF	(2,733,599,142)
<b>Earnings available to the Annual General Meeting</b>	<b>CHF</b>	<b>8,442,843,936</b>

The Board of Directors **proposes** that out of the earnings available to the Annual

General Meeting, a dividend of CHF 0.82 gross per registered share be distributed. Calculated on the total number of issued shares of 2,053,148,264, this corresponds to a maximum total amount of CHF 1,683,581,576.48.

The first trading day ex-dividend is expected to be March 28, 2022. The pay-out date in Switzerland is expected to be March 30, 2022. The Swiss withholding tax of 35% will be deducted from the gross dividend amount.

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

In deciding on the appropriation of dividends, the Annual General Meeting shall take into account that ABB Ltd will not pay dividends on shares that participate in the dividend access facility as per article 8 of the Articles of Incorporation and on own shares held by the Company and its subsidiaries.

Shareholders who are resident in Sweden and participate in the established dividend access facility will receive an amount in Swedish Kronor from ABB Norden Holding AB that corresponds to the dividend resolved on a registered share of ABB Ltd without deduction of the Swiss withholding tax. This amount, however, is subject to taxation according to Swedish law.

## 5. Capital reduction through cancellation of shares repurchased under the share buyback programs 2020 and 2021

### Proposal

The Board of Directors **proposes**:

- a) to reduce the share capital of CHF 246,377,791.68 by CHF 10,608,382.68 to CHF 235,769,409.00 by way of cancellation of 88,403,189 shares with a nominal value of CHF 0.12 each which were bought back by the Company under the share buyback programs announced in July 2020 and April 2021;
- b) to confirm as a result of the report of the auditors that the claims of the creditors are fully covered notwithstanding the capital reduction;
- c) to amend article 4 para. 1 of the Articles of Incorporation according to the following wording as per the date of the entry of the capital reduction in the commercial register (the proposed amendments are underlined):

**Article 4 para. 1**

The share capital of the Company is CHF 235,769,409.00 and is divided into 1,964,745,075 fully paid registered shares. Each share has a par value of CHF 0.12.<sup>1</sup>

**Explanation**

The proposed number of 88,403,189 shares to be cancelled is composed as follows:

- Under the share buyback program announced in July 2020 and completed in March 2021, ABB Ltd repurchased a total of 128,620,589 shares for cancellation. At the Annual General Meeting in 2021, the shareholders approved the cancellation of 115,000,000 shares. This is to ask the shareholders to approve the cancellation of the remaining 13,620,589 shares.
- Under the share buyback program announced in April 2021 and running until March 23, 2022, at the latest, ABB Ltd further repurchased as per February 15, 2022, a total of 74,782,600 shares for cancellation. This is to ask the shareholders to approve the cancellation of these shares. It is expected that the cancellation of the remaining shares repurchased under this share buyback program will be proposed to the Annual General Meeting 2023.

<sup>1</sup> This assumes that no new shares issued out of the authorized or contingent share capital of the Company will be registered in the commercial register between the date of the invitation to the Annual General Meeting and the date of entry of the capital reduction in the commercial register. If such new shares are registered during this time period, the numbers are to be amended accordingly.

## 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 2022 Annual General Meeting to the 2023 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 2022 Annual General Meeting to the 2023 Annual General Meeting in the amount of CHF 4,400,000.

**Explanation**

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

6.2. Binding vote on the maximum aggregate amount of compensation of the Executive Committee for the following financial year, i. e. 2023

**Proposal**

The Board of Directors **proposes** that shareholders approve the maximum aggregate amount of compensation of the Executive Committee for the financial year 2023 in the amount of CHF 45,900,000.

**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 24, 2022.

**Proposal**

The Board of Directors **proposes** that the persons presented below be elected to the Board of Directors for a term of office extending until completion of the Annual General Meeting 2023.

**Gunnar Brock (as Director)**

Gunnar Brock has been a member of ABB's Board of Directors since March 2018. He is the chairman of the boards of directors of Neptunia Invest AB, Mölnlycke Health Care AB and Stena AB (all Sweden). He is a member of the boards of directors of 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 the chief executive officer of Fluor Corporation (U.S.), for which he also serves as a member of the board of directors. 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 and U.S. citizen.

**Frederico Fleury Curado (as Director)**

Frederico Fleury Curado has been a member of ABB's Board of Directors since April 2016. He is a member of the boards of directors of Ultrapar S.A. (Brazil) and Transocean Ltd. (Switzerland). He was formerly the chief executive officer of Ultrapar S.A. and Embraer S.A. (both Brazil). Mr. Curado was born in 1961 and is a Brazilian and Portuguese 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 and Swiss 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 Flex Ltd (Singapore/U.S.), Kone Oy (Finland) and Full Truck Alliance Co. Ltd. (Cayman Islands/P.R.C.). Through May 2021, she was a member of the boards of directors of Philip Morris International Inc. (U.S.) and The Hongkong and Shanghai Banking Corporation Limited (Hong Kong). Ms. Li is a founder and general partner of Changcheng Investment Partners (P.R.C.), a private investment fund. From 2008 to 2018, she served as chief financial officer of Baidu Inc. (P.R.C.) and chief executive officer of Baidu Capital (P.R.C.). Prior to that, Ms. Li spent 14 years with General Motors, holding various senior finance positions, including chief financial officer of GM China and corporate controller for GMAC North American Operations. 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 co-chief executive officer, the chief financial officer and a member of the managing board of Royal DSM N.V. (The Netherlands). She was previously the 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 Moderna Inc. (U.S.). From 2014 through 2019, Mr. Meline was the chief financial officer of Amgen Inc. (U.S.). He 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 U.S. and Swiss 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 was ABB's Chief Executive Officer from April 2019 through February 2020. He is a member of the board of directors of IBM Corporation (U.S.). He is also a member of the board of directors of Temasek Holdings (Private) Limited (Singapore) as well as 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 individually each member of the Board of Directors and the Chairman of the Board of Directors. After a detailed review process, the Board of Directors determined that it currently has a good mix of CEO, CFO, industry, technology and geographic/regional experience. Following last year's conclusion that there is a need to improve gender diversity, ABB sought and identified candidates that would further strengthen the Board's diversity, expertise and experience. To accommodate candidates' personal career planning and allow for board adjustments (overboarding) as necessary, ABB will be proposing one or more new members for election at the AGM in 2023. This year, the Board of Directors is nominating all current members for re-election, and no new members will be proposed.

## 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 2023.

### Explanation

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

## 9. Election of the independent proxy

### Proposal

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

- Zehnder Bolliger & Partner, attorneys-at-law and notary office, Bahnhofplatz 1, 5400 Baden, Switzerland

as independent proxy for a term of office extending until completion of the Annual General Meeting 2023.

### 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 2022.

Zurich, February 25, 2022

ABB Ltd

Board of Directors

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# Organizational topics

## Shareholders will not be able to attend the Annual General Meeting in person

ABB's top priority remains protecting the health of our shareholders and employees. Therefore, the Board of Directors resolved that shareholders again will only be able to exercise their shareholder rights via the independent proxy. As a result, it unfortunately will not be possible for shareholders to attend the 2022 Annual General Meeting in person.

## Shareholder questions on agenda items

ABB offers its shareholders the opportunity to address questions on agenda items to the Board of Directors in writing until March 14, 2022 – either under [www.abb.com/agm](http://www.abb.com/agm) or to ABB Ltd, Annual General Shareholders Meeting, Affolternstrasse 44, P.O. Box, 8050 Zurich, Switzerland.

The Board of Directors will respond to important questions on agenda items at the Annual General Meeting, and address

other questions to the extent possible under [www.abb.com/agm](http://www.abb.com/agm). ABB reserves the right to answer questions individually or in summary and may mention the name of the respective shareholder.

## Live webcast

The Annual General Meeting will be broadcast under [www.abb.com/agm](http://www.abb.com/agm). It will be conducted primarily in German. Translation into English will be available.

## Annual Report

As from March 4, 2022, 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 Annual Report will also be available electronically under [www.abb.com/agm](http://www.abb.com/agm) and will be mailed on request. 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.

## Registration and voting

Shareholders entered in the share register with the right to vote on March 16, 2022, 3:00 p.m. (CET), are entitled to participate in the Annual General Meeting. They may exercise their shareholder rights solely by authorizing/issuing voting instructions to the independent proxy, Dr. Hans Zehnder, attorney-at-law and notary, Bahnhofplatz 1, 5400 Baden, Switzerland. Authorization may be granted and voting instructions may be issued to the independent proxy either using the reply form enclosed or electronically (e-voting).

The reply form or a corresponding notification must reach the independent proxy not later than March 18, 2022 (by mail or e-voting). Reply forms or notifications arriving after that date will not be taken into consideration.

Shareholders may grant authorization or issue instructions electronically to the independent proxy (e-voting) via the shareholder platform at [www.gvote.ch](http://www.gvote.ch). 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 March 18, 2022.

For further information as well as instructions on how to register and vote electronically, please refer to [www.abb.com/aggm](http://www.abb.com/aggm).

## 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, 2021, the total number of shares and votes in ABB Ltd was 2,053,148,264. As of the same date, the Company held 94,803,864 treasury shares, corresponding to 94,803,864 votes. The voting rights in treasury shares cannot be exercised at the Annual General Meeting.

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

# Annex to Agenda Item 6

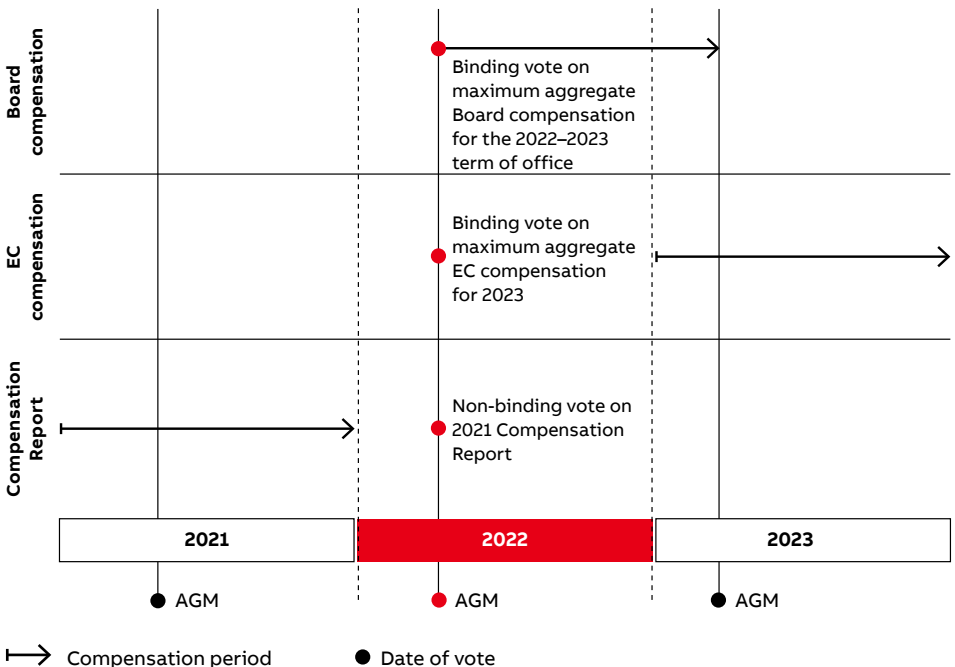
(Binding votes on the compensation of the Board of Directors and the Executive Committee)

## Introduction

At the 2022 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 2022–2023 term of office

and on the maximum aggregate compensation of the Executive Committee (EC) for 2023. There will also be a non-binding vote on the 2021 Compensation Report.

### Overview of compensation votes at the 2022 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 2022 Annual General Meeting to the 2023 Annual General Meeting**

The Board is proposing to maintain the same number of Board members for the upcoming term of office. Compensation for individual Board members is also planned to remain at the same level as in the previous period.

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

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

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

Additional information regarding compensation of the Board is available in the 2021 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. 2023**

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 (EC) compensation, including the proposed changes for 2022, is available in the 2021 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 as well as 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 award under the short-term variable compensation component and a 100 percent reference grant size under the long-term incentive plan.

The proposed maximum aggregate EC compensation for 2023 of CHF 45,900,000 would only be reached if EC members meet the performance criteria for a 150 percent award under the short-term incentive (STI) plan and a maximum vesting of 200 percent under the long-term

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

As shown in the chart below, the actual compensation for 2021 for current EC members was less than the approved maximum aggregate compensation for 2021. The proposed maximum aggregate EC compensation for 2023 is CHF 5,900,000 higher than the amount proposed and approved for 2022. This increase in maximum aggregate compensation for 2023 is mainly the result of the associated costs

related to the 2020 LTIP, vesting in 2023, influenced by:

- the increased number of shares subject to vesting compared to prior years (see chart below),
- the current, solid performance of the Company against its earnings per share targets and total shareholder return peer group, and
- the strong share price development since the time of grant with a reference price of CHF 19.36

rather than any structural increase to EC compensation.

The chart below shows the expected development of aggregate EC compensation from 2019 to 2023.

#### Overview of considerations in calculation of maximum aggregate EC compensation<sup>1</sup>

	2019	2020	2021			2022	2023
<b>Aggregate EC compensation in CHF (millions)</b>	52.0	55.5	39.2	35.8	39.5	40.0	45.9
<b>Assumptions</b>	Maximum (approved at 2018 AGM)	Maximum (approved at 2019 AGM)	Actual	Target	Maximum (approved at 2020 AGM)	Maximum (approved at 2021 AGM)	Maximum (proposed at 2022 AGM)
STI award percentage	150%	150%	139% <sup>2</sup>	100%	150%	150%	150%
Adjustment of LTIP grant size	+12.5%	+12.5%	0%	0%	+12.5%	+12.5%	n.a.
Number of LTIP shares vested or potentially vesting in year <sup>3</sup>	532,674	266,104	n.a.	n.a.	147,979	220,561	354,869
Number of EC members	11	12	10	10	9	9	9

<sup>1</sup> For full description, see Compensation Report 2021, which can be found in the Annual Report.

<sup>2</sup> Outcome without the allocation of former EC members, but including previous CHRO. For full description, see Compensation Report 2021, which can be found in the Annual Report.

<sup>3</sup> For example, 354,869 shares were granted in 2020 that potentially vest in 2023, subject to performance conditions.

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**ABB Ltd**

Share Register  
P.O. Box  
8050 Zurich  
Switzerland

Phone: +41 43 317 57 00  
[share.register@ch.abb.com](mailto:share.register@ch.abb.com)

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