

## **Comparison of ABB's corporate governance practices to the New York Stock Exchange's listing standards**

In November 2003, the SEC approved the New York Stock Exchange's (NYSE) new corporate governance listing standards (the "Standards"). ABB, as a foreign issuer with American Depositary Shares listed on the NYSE, is obliged to disclose any significant ways in which its corporate governance practices differ from the Standards.

ABB has reviewed the Standards and believes that its corporate governance practices are generally consistent with the Standards, with the following exceptions:

1. Swiss law requires that our external auditors be appointed by our shareholders at our annual general meeting, and not by the finance and audit committee or the board of directors.
2. The Standards state that non-executive directors must have regularly scheduled meetings without the directors involved in the management of the company present. Other than meetings of those board committees comprised only of non-executive directors, our non-executive directors have not to date held scheduled, formal meetings where executive directors were excluded.
3. The Standards state that listed companies must have a nominating/corporate governance committee composed entirely of independent directors. Whilst we have a nomination and compensation committee composed entirely of independent directors, matters of corporate governance are determined by our board of directors.
4. The Standards require that all equity-compensation plans and material revisions thereto be approved by the shareholders. Consistent with Swiss law such matters are decided by our board of directors. It is, however, the shareholders who decide about the creation of contingent or authorized share capital, which is to be used in connection with equity-compensation plans.

Zurich, May 14, 2004