

# **ABB Ltd**

## **MINUTES**

**of the  
ordinary Annual General Meeting of shareholders**

**held on 8 May 2008 at 10 a.m.**

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

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Chairman: Hubertus von Grünberg

Minute-writer: Diane de Saint Victor  
General Counsel and  
Secretary of the Board of Directors

Vote-counter: Anne Sabine Zoller

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## **Agenda**

1. Reporting for fiscal 2007
2. Approval of the annual report, the consolidated financial statements, and the annual financial statements for 2007
3. Discharge of the Board of Directors and of the persons entrusted with management
4. Appropriation of available earnings and release of legal reserves
5. Creation of additional contingent share capital
6. Capital reduction through nominal value repayment
7. Amendment to the Articles of Incorporation related to the capital reduction
8. General amendments to the Articles of Incorporation
9. Elections to the Board of Directors
10. Election of the auditors

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

The Chairman further welcomes the many guests at the meeting, including members of the ABB Switzerland executive committee, employees' representatives, and representatives from the media. He introduces those members of the Board of Directors who are present at the meeting, namely Louis Hughes, Hans Ulrich Märki, and Jacob Wallenberg.

The Chairman comments that up until the speech of Michel Demaré, ABB's Chief Executive Officer and Chief Financial Officer, the Annual General Meeting will be conducted in German, with a French and English translation being offered at the same time. He refers to the simultaneous translation device that has been made available and briefly explains how to operate it.

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

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

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

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

The Chairman declares that the auditors and group auditor are represented by Mr. Charles Barone. In connection with the proposed capital reduction and with the auditors' report required for this under Article 732 of the Swiss Code of Obligations, the Chairman observes that Mr. Nigel Jones and Mr. Yves Vontobel are also present as approved auditing experts and representatives from the Zürich branch of Ernst &

Young AG. The Chairman, further, welcomes Dr. Hans Zehnder as the independent proxy exercising a voting right.

The Chairman requests all shareholders wanting to speak during the meeting to come forward, give their surname, first names and place of residence, and have themselves entered into the list of people wanting to speak on a particular agenda item. He also asks that shareholders speak only about the agenda item they have chosen to speak about.

The Chairman explains that all the ballots and elections at the Annual General Meeting will be conducted electronically, which is in accordance with Article 17 of the Articles of Incorporation. The voting procedures will be supervised by Ms. Anne Sabine Zoller, whom the Chairman appoints as vote-counter.

The Chairman declares that

- a) the invitation to the Annual General Meeting was published in the "Schweizerisches Handelsamtsblatt" No. 72 of 15 April 2008 and also, in abbreviated form, in various daily newspapers both in Sweden and Switzerland, complying with the statutory notice period of 20 days;
- b) shareholders entered in the share register were additionally notified of the Annual General Meeting by letter dated 8 April 2008 and that, in conformity with the Articles of Incorporation, notice of the agenda items and proposals of the Board of Directors was given with the invitation;
- c) the annual report for 2007 with the financial statements, auditors' report, consolidated financial statements, group auditor's report and proposal by the Board of Directors relating to the appropriation of profits was mailed upon request, was available for inspection by shareholders during the statutory time period at the company's head office, and in addition was posted for inspection on the ABB website. [The auditors' report and group auditor's report on the annual financial statements and the consolidated financial statements form as Appendix 1 an integral part of the original minutes.]

The Chairman indicates that the agenda together with the Board of Directors' proposals can be found in the invitation document and declares that no requests have been lodged by shareholders in accordance with Article 13 of the Articles of Incorporation for items to be included on the agenda, and that no motions relating to

items for discussion on the agenda have been submitted either. [The invitation document forms as Appendix 2 an integral part of the original minutes.]

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

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

In connection with the presence of the media, the Chairman comments that shareholders who do not wish their identities or voting behavior to be disclosed to the outside world should make this quite explicit at the beginning of their expositions. He expects of the representatives from the media that they respect these wishes without exception. In other respects, he points out that for the purposes of keeping the minutes all statements and the conduct of the meeting are recorded. Representatives from radio and TV stations have received further instructions regarding data protection and the preservation of privacy rights in written form.

## **1. Report for fiscal 2007**

The Chairman informs the meeting that he will make a few remarks about the financial year 2007 from the point of view of the Board of Directors. After his comments, Mr. Michel Demaré, ABB's Chief Executive Officer and Chief Financial Officer, will report on the financial year 2007 and provide shareholders with an outlook on the future of the ABB Group.

The Chairman then gives his Chairman's speech. [The Chairman's speech as Appendix 3 forms an integral part of the original minutes.]

The Chairman next calls on Mr. Michel Demaré to speak. The Chairman observes that Mr. Demaré will give his speech in English and that if shareholders wish to hear it in German, they must now switch on their simultaneous translation device. [Mr. Michel Demaré's speech as Appendix 4 likewise forms an integral part of the original minutes.]

The Chairman thanks Mr. Michel Demaré for his remarks.

Meanwhile the Chairman receives the attendance figures, enabling him to announce the following: 1,450 shareholders are present. Adding in the represented shareholders results in an attendance of 739,172,186 registered shares at CHF 2.50 with a total nominal value of CHF 1,847,930,465.00. This corresponds to 50.6% of the voting share capital.

The Chairman states that shareholders wanting to have themselves represented at the Annual General Meeting were able before the meeting to appoint as their proxy another voting shareholder, a bank as depository representative, a representative of ABB Ltd as the company's representative, or the independent proxy exercising a voting right, Dr. Hans Zehnder. Dr. Zehnder will vote in accordance with the instructions received from shareholders. Given his various different instructions, Dr. Zehnder will therefore be making both yes-votes and no-votes as well as abstentions. Unless otherwise directed, he will vote the same way as proposed by the Board of Directors. The company's representative is Mr. Beat Müller.

The Chairman declares that

- Dr. Zehnder, in his role as independent proxy exercising a voting right, represents 269,977,841 registered shares with a total nominal value of CHF 674,944,602.50;
- Mr. Müller, the company's representative of ABB Ltd, represents 108,552,341 registered shares with a total nominal value of CHF 271,380,852.50; and
- the depository representative represents the votes of 186,753,527 registered shares with a total nominal value of CHF 466,883,817.50.

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

A special quorum is required for the amendments to the Articles of Incorporation proposed under agenda item 5 for the purpose of creating additional contingent share capital. In accordance with the law and Article 19 of the company's Articles of Incorporation, a 2/3 majority of the voting rights represented at the annual general

meeting is needed for this. In addition, these resolutions must be publicly recorded by the notary, Mr. Allemann.

The Chairman points out that the results of all ballots and elections will be recorded in writing by the minute-writer, and comments that anybody who would like to have their no-votes or abstentions recorded by roll-call can give their surname, first names, place of residence and the number of no-votes respectively abstentions to the vote-counter to be available for the minutes.

## **2. Approval of the annual report, the consolidated financial statements, and the annual financial statements for 2007**

The Chairman indicates that the consolidated annual financial statements of ABB Ltd, i.e. the group accounts, can be found in the 2007 annual report, and they were already commented on earlier. The consolidated financial statements were audited by Ernst & Young AG. Their auditors' report likewise forms part of the annual report. The annual financial statements of ABB Ltd are also included in the annual report. They were likewise audited by Ernst & Young AG and once again the auditors' report form part of the annual report.

The Chairman asks Mr. Charles Barone as the representative of Ernst & Young AG whether the auditors have any further comments to make on the consolidated financial statements or on the annual financial statements. Mr. Charles Barone has no further comment to make.

The Chairman then informs shareholders briefly about ABB's remuneration policy, indicating that full details of the policy can be found on pages 48 ff. of the English version of the annual report and on pages 49 ff. of the German version. He explains that remuneration of the Board of Directors and of the ABB Group Executive Committee is determined by the "Governance, Nomination and Compensation Committee". Remuneration, he continues, is divided into three components: an annual basic salary, a bonus, which is at least 50% dependent on the company's business development, and participation in ABB's long-term incentive plan. These three components ensure that compensation relates not only to the short-term success of ABB but also to the company's performance over the long term. The Chairman observes that the Governance, Nomination and Compensation Committee regularly reviews remuneration in the light of European and international practice and

reference values. Compensation of the Board of Directors at the wish of its members is paid either 50% or 100% in shares, although these shares in principle remain blocked for three years. Finally, he refers shareholders to the detailed information about the remuneration paid in the previous financial year to members of the Board of Directors and to members of the ABB Group Executive Committee, which is contained on pages 48 ff. of the English version of the annual report and on pages 49 ff. of the German version.

The Chairman opens the discussion on the annual report, the consolidated financial statements, and the 2007 annual financial statements of ABB Ltd. He asks speakers to come forward to the microphone and to give their surnames, first names and place of residence. And he repeats his request that shareholders confine their comments only to the item under discussion.

1<sup>st</sup> speaker – Kapoor Madan, Zürich:

The speaker thanks Mr. Dormann for everything that he did and achieved for the company. He then comments on an interview with Mr. Demaré published in the Swiss Sunday newspaper “NZZ am Sonntag”, in which the latter speaks of ABB’s net income rising by 87% in the first quarter of 2008. The speaker says that he is surprised at this high figure. Via contacts within ABB, he learned at the time that this gain was mainly the result of currency revaluations (appreciation of the euro against the US dollar). The speaker observes that in future ABB should communicate somewhat more modestly so that people do not get the wrong idea about the company. The speaker next mentions a report in the 28 April 2008 edition of the magazine “Cash Daily”, which said that a member of the executive committee sold 100,000 shares on the market to the value of CHF 31.3 million (sic). The speaker is also surprised about this, particularly in view of the fact that at this time the banks were advising people to buy ABB shares. He stresses again that he is concerned about the image of ABB and urges the company to be careful so that it does not fall flat on its face, as happened under Percy Barnevik. The speaker ends by hoping that the management can make something of these suggestions.

The Chairman informs shareholders that he will give his responses at the end of all questions and comments from the floor so as to make the meeting more efficient. However, he states that ABB is very happy to receive questions and no less happy to present good figures!

2<sup>nd</sup> speaker – Josef Steger, Zollikofen:

The speaker is of the opinion that the list of items on the agenda is so extensive and worthy of discussion that an Extraordinary General Meeting should be called so that there is enough time for discussion at the ordinary Annual General Meeting. In connection with item 5 on the agenda, he also refers to the “bad habit” of creating additional contingent share capital with a view to issuing options. The speaker says that he is a “backpack shareholder” and cannot understand such agenda items. As a result, changes to the company’s share capital should be decided at an Extraordinary General Meeting. The speaker refers to pages 2 and 3 of the invitation document and reads out the wording for agenda item 2. The whole thing is a “balance-sheet merry-go-round” because the reduction in nominal value is to be financed through releasing from the reserves. Referring to the notes in the invitation text relating to agenda item 2, the speaker also wonders where the convertible bonds are. The Board of Directors should check this matter.

The Chairman thanks the speaker for his contribution and inquires whether anyone else wishes to comment on agenda item 2.

3<sup>rd</sup> speaker – Hermann Struchen, Zürich-Altstetten:

The speaker complains that on page 75 of the annual report there is no comparison of ABB share prices over several years (only the highest and lowest value in the past year is given). He suggests that a comparison over a 5-year period would be good, particularly in view of the increase in value of the ABB share. Nor is there an analysis of the shareholder constituency (showing, for example, the number of shares held by different shareholders), something that other companies have. Sometimes such breakdowns also show the shareholders by nationality, which provides interesting data. In addition, the speaker thanks Mr. Dormann, the savior of ABB, for all that he did for the company. He makes the suggestion that Mr. Dormann should be made honorary chairman of ABB.

The Chairman thanks the speaker for his contribution and also takes this opportunity to once again thank Mr. Dormann. He inquires whether anyone else wishes to comment on agenda item 2.

4<sup>th</sup> speaker – Alex Brun, Nänikon:

The speaker is interested in ABB’s plans or roadmap regarding the sustainable use of solar energy. He makes some observations and suggestions in connection with this topic. Thus, the company could invest either in solar or fusion energy. He also

points out that ABB as a global player bears a responsibility towards the whole world. Fossil energies will run out. The speaker would like to know what ABB is doing to promote sustainable solar energy. He then expresses certain reservations regarding the planned capital reduction. He wonders if ABB is lacking in ideas about investing the available funds in visionary projects. He suggests that ABB should construct an energy system (involving DC transmission) that would stretch right round the world so that in 2030 people will still be proud of ABB's achievements. Unlike politics, technology is already ready for such a project.

The Chairman remarks that fusion energy is an interesting area although one that is still not sufficiently developed (i.e. on a commercial scale). It is up to other companies, for example generators of nuclear power, to invest money in such development projects. Regarding the capital reduction or lack of ideas, the Chairman then points out that as long as a company such as ABB is in a position with its capital to generate substantial amounts of money in its markets, the question arises for the shareholder as to whether the return should be passed on to its shareholders or used in the enterprise for further expanding its business. The Chairman observes that the field of renewable energies, including the areas of wind, wind energies and photovoltaic, is an issue and will be studied. The fact that the company takes these topics seriously is borne out by the fact that they were mentioned in the speeches. ABB does not produce any wind turbines, but it does supply components for them. The Chairman states that ideas such as generating solar energy in the Sahara are interesting visions that would cost billions and adds that ABB would therefore be more than happy to be a supplier for them. He notes that in the final analysis the company does not want to take inordinate risks and so will not take on any trailblazing role. ABB places emphasis on meticulousness and quickness not on speculation.

The Chairman thanks the speaker for his contribution and inquires whether anyone else wishes to comment on agenda item 2.

5<sup>th</sup> speaker – Codonau Gallus, Zürich:

The speaker would like to know what the Chairman is doing in the area of energy efficiency that improves on the efforts of Mr. Kindle. He also points out that Switzerland is lagging far behind in this area, compared with countries such as Germany. We are talking here of a giant market, which could be very interesting for

ABB particularly because the technology for improved energy efficiency already exists.

The Chairman thanks the speaker for his contribution and inquires whether anyone else wishes to comment on agenda item 2.

6<sup>th</sup> speaker – Conrad Meili:

The speaker remarks that he regrets that Mr. Kindle is no longer here. He would welcome a stronger sense of unity and solidarity among the shareholders. He adds that ABB's "bosses" or employees should stand up for themselves while at the same time standing together in the interest of the company.

The Chairman thanks the speaker for his contribution.

The Chairman responds to the comments and questions made by the speakers:

- Concerning the sale of shares:

The Chairman states that managers and members of the ABB Board of Directors can only trade in ABB shares in tightly prescribed time windows owing to internal restrictions and insider rules in force. It should be borne in mind that within the permissible time windows and after the blocking periods and holding periods have expired, it happens over and over again that individual officers sell some of their shares to cover their personal cash requirements, for example to pay taxes. However, when a manager does sell some of his shares, this should not be interpreted as a negative sign. The officers concerned still hold a large number of shares, as can be seen in the annual report. The Chairman remarks that the financial attractiveness of company share programs should not be called into question. No moral pressure should be brought to bear on members of the ABB Group Executive Committee which would make it taboo for them to sell shares. Otherwise this financial incentive instrument would lose some of its attractiveness and pragmatic effect. The Chairman assures shareholders that the loyalty of ABB managers to their company is great. There are also influential managers at ABB who this year have acquired additional shares privately – while complying with the strict rules and regulations, of course.

- Concerning a comparison over several years of the performance of the ABB share and shareholder analyses, the Chairman requests Mr. Michel Demaré to comment on these issues at a later time.

- Concerning an Extraordinary General Meeting or long list of agenda items:

The Chairman states that the long list of agenda items this year meets the statutory requirements. He explains that dividing the Annual General Meeting into two separate meetings (one to discuss the strategy of the annual report and one to deal with formalities or for legal purposes) would not prove successful. The Chairman calls on shareholders to confirm with brief applause that those present do not wish any such Extraordinary General Meeting to be held. He thanks them for their applause.

- Concerning solar energy efficiency:

The Chairman agrees that too much efficiency is still being lost. He states that one of the reasons why ABB has not yet started investing substantially in solar energy is because this technology is still not fully developed. Silicon and wafer technology is undoubtedly the more efficient technology but also the more expensive. The Chairman then refers to thin-film technology, observing that wafer technology is a possibility with smaller areas (for example house roofs). We are left, therefore, with two conflicting technologies. However, he remarks, ABB cannot be in two places at the same time. But ABB has the strength and financial resources to quickly catch up with the right technology.

The Chairman notes, further, that Mr. Dormann and Mr. Kindle set a very high standard. Nevertheless, one year has been enough to show that all kinds of things are still possible. It is often a matter of first securing the infrastructure of a company or of ensuring the resilience of its systems. ABB's great successes have been achieved by rejecting aggressive schedules and deadlines demanded by customers. It may happen that their order then goes to another company, which in turn cannot meet the time schedule, resulting in the customer accepting ABB's terms and prices after all. He observes that the Board of Directors and ABB Group Executive Committee are not concerned to outdo their predecessors in these positions but rather to continue to take the company forwards.

The Chairman calls on Michel Demaré to speak.

- Concerning an overview of share performance in the annual report:

Mr. Demaré states that it would be nice if the annual report had included a comparison of the prices of ABB shares over several years but that the 1-year

overview is to be explained by ABB's "low-profile" style of communications. In addition, publishing shareholders with a shareholding of less than 3% is restricted for legal reasons.

- Concerning ABB's 87% higher net income in the 1<sup>st</sup> quarter of 2008:

Mr. Demaré states that certain exceptional circumstances did, indeed, lead to the gains in the first quarter of 2008. He also points out that ABB hedges against currency fluctuations. However, the 87% increase is of an operating nature. In addition, the company was also able to make tax savings.

- Concerning the convertible bonds:

Mr. Demaré states that the two convertible bonds have been converted by ABB into shares. This is why they no longer appear in the balance sheet as convertible bonds.

- Concerning the need for the proposed additional contingent share capital:

Mr. Demaré comments that for the future convertible bonds and other financial instruments, such as mandatory convertible bonds, could be issued. In the final analysis, it is a matter of keeping all options open and of creating flexibility.

- Concerning the reduction in nominal value:

Mr. Demaré notes that, compared with a dividend distribution, a reduction in nominal value has a tax advantage for shareholders, depending on their place of residence. For Swiss citizens or persons resident in Switzerland, this kind of distribution is tax-free. For ABB, it makes no difference which type of distribution is made.

- Concerning team work or the good groundwork done by Mr. Kindle:

Mr. Demaré remarks that ultimately it is not a question of doing better work than that of predecessors but of ensuring ABB's continuity and prosperity.

The Chairman notes that there are no further questions or comments from the floor, and moves on to pass a resolution approving the annual report, the consolidated financial statements, and the annual financial statements for 2007.

The Chairman declares that the Annual General Meeting has approved the annual report, the consolidated financial statements, and the annual financial statements for

2007 with 99.55% yes-votes. [Appendix 5, comprising the vote-counter's report with precise voting results, forms an integral part of the original Minutes.]

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

The Chairman states that the Board of Directors proposes that its members and those officers entrusted with managing the business be discharged from their responsibilities for the fiscal year 2007. As the Board of Directors and the officers entrusted with managing the business work together as a team, he intends to conduct the vote on the discharge resolution globally.

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

The Chairman declares that in a global ballot the Annual General Meeting has granted discharge to the Board of Directors and the officers entrusted with managing the business for the financial year 2007 with 90.63% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

### **4. Appropriation of available earnings and release of legal reserves**

The Chairman states that the 2007 consolidated financial statements result in a profit of USD 3,757 million for the year. By contrast, the profit for the year posted by the group holding company, i.e. by ABB Ltd, amounts to CHF 1,174,538,560.

On behalf of the Board of Directors, the Chairman proposes:

- to release CHF 2,086,682,937 from the legal reserves,
- to allocate those released reserves to other reserves, and

- to carry forward to new account the earnings for 2007 available to the Annual General Meeting amounting to CHF 1,772,263,198.

The Chairman notes that as shareholders will have seen from item 6 on the agenda, the Board of Directors proposes to reduce the company's share capital and to repay to shareholders CHF 0.48 for each of their shares. For this reason, the Board also proposes that no dividend should be paid this year. The dividend is replaced by the repayment of nominal value in the said amount.

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

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

The Chairman declares that the Annual General Meeting has approved the proposal of the Board of Directors relating to the appropriation of available earnings for the year 2007 with 99.57% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

## **5. Creation of additional contingent share capital**

The Chairman informs the meeting that the Board of Directors proposes to create additional contingent share capital for conversion and warrant rights in connection with bonds or other financial market instruments amounting to a maximum of CHF 500 million. This will enable the share capital to be increased by a maximum of 200 million fully paid registered shares with a nominal value of CHF 2.50 each. The proposed additional contingent capital will not alter the existing contingent capital for shareholder and employee options. He observes that when the convertible bonds were converted last year, the contingent capital existing at that time, which was available for issuing convertible bonds, was fully used up. The new contingent capital is intended to once again give the company greater financial flexibility. The Chairman remarks that when bonds or other financial market instruments are issued, existing shareholders normally have a pre-emptive right. However, in certain cases the Board of Directors is authorized to exclude their pre-emptive right if there are good reasons

for doing so. Cases in which such an exclusion of their pre-emptive right is justifiable are set out in the Articles of Incorporation.

On behalf of the Board of Directors, the Chairman proposes to amend Paragraphs 1 and 2 of Article 4<sup>bis</sup> of the Articles of Incorporation and to add to them a new Paragraph 3.

The Chairman refers to the invitation document, which contains the full text of Paragraphs 1, 2 and 3 of Article 4<sup>bis</sup> of the Articles of Incorporation, excerpts of which shareholders can also see projected on the screen in the background:

Article 4<sup>bis</sup>

Contingent Share Capital      1 The share capital may be increased in an amount not to exceed CHF 525,000,000 through the issuance of up to 210,000,000 fully paid registered shares with a par value of CHF 2.50 per share,

a) up to the amount of CHF 500,000,000 through the exercise of conversion rights and/or warrants granted in connection with the issuance on national or international capital markets of newly or already issued bonds or other financial market instruments by the Company or one of its group companies, and

b) up to the amount of CHF 25,000,000 through the exercise of warrant rights granted to the shareholders by the Company or one of its group companies. The Board of Directors may grant warrant rights not taken up by shareholders for other purposes in the interest of the Company.

The pre-emptive rights of the shareholders shall be excluded in connection with the issuance of convertible or warrant-bearing bonds or other financial market instruments or the grant of warrant rights. The then current owners of conversion rights and/or warrants shall be entitled to subscribe for the new shares. The conditions of the conversion rights and/or warrants shall be determined by the Board of Directors.

2 The acquisition of shares through the exercise of conversion rights and/or warrants and each subsequent transfer of the shares shall be subject to the restrictions of art. 5 of these Articles of Incorporation.

3 In connection with the issuance by the Company or one of its group companies of convertible or warrant-bearing bonds or other financial market instruments, the Board of Directors shall be authorized to restrict or deny the advance subscription rights of shareholders if such issuances are for the purpose of financing or refinancing the acquisition of an enterprise, parts of an enterprise, participations or new investments or the issuance on national or international capital markets. If advance subscription rights are denied by the Board of Directors, the following shall apply: the convertible or warrant-bearing bonds or other financial market instruments shall be issued at the

relevant market conditions and the new shares shall be issued pursuant to the relevant market conditions taking into account the share price and/or other comparable instruments having a market price. Conversion rights may be exercised during a maximum 10-year period, and warrants may be exercised during a maximum 7-year period, in each case from the date of the respective issuance. The advance subscription rights of the shareholders may be granted indirectly.

The Chairman opens the discussion on this agenda item.

1<sup>st</sup> speaker – Josef Steger, Zollikofen:

The speaker comments that from a financial point of view it is not necessary to approve this agenda item. After all, in the final analysis it is purely a matter of an ABB banking transaction.

The Chairman states that ABB is not a speculator. It is a question of ensuring that the Board of Directors or the ABB Group Executive Committee has the capacity to act if opportunities present themselves for generating value. ABB must be able to act and “snap up bargains”. The Chairman calls upon shareholders to approve the proposal of the Board of Directors so that ABB remains capable of acting.

The Chairman inquires whether anyone else wishes to comment on agenda item 5.

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

The speaker remarks that creating 220 million new shares represents a dilution of approximately 10%. If this agenda item is approved, the value of ABB shares must theoretically fall by 10%.

The Chairman replies that the shares have not even been issued yet. Their use depends on the purpose, and they will only be used if opportunities arise to create value.

There are no further contributions from the floor regarding this agenda item, and so the Chairman calls upon the meeting to vote on the proposed amendments to the Articles of Incorporation for the purpose of creating additional contingent share capital.

The Chairman declares that the Annual General Meeting has approved the proposed amendments to the Articles of Incorporation for the purpose of creating additional contingent share capital with 98.96% yes-votes. He also declares that the necessary two thirds majority of the represented voting rights and hence also the absolute majority of the nominal share capital has been achieved. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

## **6. Capital reduction through nominal value repayment**

The Chairman informs shareholders that the Board of Directors proposes to reduce the company's share capital to CHF 4,678,350,506.04, which corresponds to a reduction by CHF 1,111,687,248.96. He explains that the capital will be decreased through a reduction in the nominal value of the shares, with the nominal value of one share decreasing from CHF 2.50 to CHF 2.02.

The Chairman explains further that the amount of CHF 0.48 for each share released through the capital reduction will be repaid to shareholders. No repayment will be made for treasury shares held by ABB on the qualifying date. However, their nominal value is likewise reduced to CHF 2.02.

The Chairman notes that Ernst & Young AG as approved auditing experts confirm in their auditors' report that despite the reduction in the share capital the claims of creditors are fully covered. Based on that report, the Board of Directors proposes a corresponding declaration.

The Chairman observes that the capital can only be reduced after the notices to creditors have been published and after any creditors' claims made have been secured. The decrease will probably be made at the end of July 2008.

The Chairman states that the Board of Directors also proposes to amend Article 4 Paragraph 1 of the Articles of Incorporation. It is proposed to amend the wording of Article 4 Paragraph 1 in line with the text published in the invitation document, excerpts of which shareholders can see projected on the screen in the background.

Share Capital 1 The share capital of the Company is CHF 4,678,350,506.04 and is divided into 2,316,015,102 fully paid registered shares. Each share has a par value of CHF 2.02.

The Chairman explains that the capital reduction then makes it necessary to adjust both the nominal value per share and – as a result – the total nominal amount stated in Article 4<sup>bis</sup> Paragraphs 1 and 4 as well as in Article 4<sup>ter</sup> Paragraph 1 of the Articles of Incorporation. He refers shareholders to parts of Article 4<sup>bis</sup> Paragraphs 1 and 4 as well as of Article 4<sup>ter</sup> Paragraph 1, which they can see projected in the background with the following wording:

#### Article 4<sup>bis</sup>

- Contingent Share Capital 1 The share capital may be increased in an amount not to exceed CHF 424,200,000 through the issuance of up to 210,000,000 fully paid registered shares with a par value of CHF 2.02 per share,
- a) up to an amount of CHF 404,000,000 through the exercise of conversion rights and/or warrants granted in connection with the issuance on national or international capital markets of newly or already issued bonds or other financial market instruments by the Company or one of its group companies, and
  - b) up to an amount of CHF 20,200,000 through the exercise of warrant rights granted to the shareholders by the Company or one of its group companies. The Board of Directors may grant warrant rights not taken up by shareholders for other purposes in the interest of the Company. [...]
- 4 The share capital may be increased in an amount not to exceed CHF 89,485,299.06 through the issuance of up to 44,299,653 fully paid registered shares with a par value of CHF 2.02 each by offering shares to employees of the company and of its group companies. [...]

#### Article 4<sup>ter</sup>

- Authorized Share Capital 1 The Board of Directors is authorized to increase the share capital at any time up to 3 May 2009 in an amount not to exceed CHF 404,000,000 through the issuance of up to 200,000,000 fully paid registered shares with a par value of CHF 2.02 each. [...]

There are no contributions from the floor regarding this agenda item, and so the Chairman calls upon the meeting to vote on the proposed reduction of the company's share capital.

The Chairman declares that the Annual General Meeting has approved the proposal of the Board of Directors both to reduce the company's share capital through repaying nominal value and to amend the Articles of Incorporation with 99.59% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

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

The Chairman informs shareholders that under item 7 on the agenda the Board of Directors proposes that Article 13 Paragraph 1 of the Articles of Incorporation should be amended. He explains that the Board of Directors' proposal to amend Article 13 Paragraph 1 of the Articles of Incorporation reflects the fact that the capital reduction through a reduction in nominal value – once it has been approved – should not impair the right of a minority to include a subject for discussion on the agenda. To ensure that this right cannot be impaired, the Board of Directors proposes to correspondingly lower the threshold value from CHF 1,000,000 to CHF 808,000.

The Chairman refers to the invitation document, which contains the text of Article 13 Paragraph 1 of the Articles of Incorporation, which shareholders can also see projected on the screen in the background with the following wording:

### Article 13

- |        |                                                                                                                                                                                                                                                                                                                                                                        |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Agenda | 1 One or more shareholders whose combined shareholdings represent an aggregate par value of at least CHF 808,000 may demand that an item be included on the agenda of a General Meeting of Shareholders. Such inclusion must be requested in writing at least forty days prior to the meeting and shall specify the agenda items and proposals of such shareholder(s). |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

The Chairman explains that this amendment to the Articles of Incorporation is connected with the capital reduction and reduction in nominal value for each share and hence is only registered in the Commercial Register together with it.

There are no contributions from the floor regarding this agenda item, and so the Chairman calls upon the meeting to vote on the proposed amendment to Article 13 Paragraph 1.

The Chairman declares that the Annual General Meeting has approved the proposal to amend Article 13 Paragraph 1 of the Articles of Incorporation with 99.60% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

## **8. General amendments to the Articles of Incorporation**

The Chairman informs shareholders that under item 8 on the agenda the Board of Directors proposes that amendments should be made to Articles 8 Paragraph 1, 19(i), 20, 22 Paragraph 1 and 28 of the Articles of Incorporation. The proposed amendments can be found in the invitation document.

The Chairman explains that with the exception of the amendment to Article 8 Paragraph 1 and Article 22 Paragraph 1, all the amendments to the Articles of Incorporation proposed under this agenda item 8 are adaptations to conform with the latest revision of the Swiss Code of Obligations (OR). The proposed amendment in Article 8 Paragraph 1 reflects a change of name of the company. He adds that the modification of Article 20 of the Articles of Incorporation to comply with the revised Swiss Code of Obligations releases board members from the obligation to hold at least one ABB Ltd share at the time of their election. The same amendment does not, however, imply any change in the compensation policy of ABB. Members of the Board of Directors must receive 50% (or 100% if they so wish) of their remuneration in the form of ABB shares.

There are no contributions from the floor regarding this agenda item, and so the Chairman calls upon the meeting to vote on the proposed amendment to the Articles of Incorporation.

Agenda item 8a)

On behalf of the Board of Directors, the Chairman proposes that the wording of Article 8 Paragraph 1 of the Articles of Incorporation should be amended in line with the text published in the invitation document, which shareholders can see projected on the screen in the background.

#### Article 8

Dividend Access Facility	1	The Company has established a dividend access facility under which shareholders who are resident in Sweden have the option to be registered with VPC as holders of a total of up to 600,004,716 registered shares of the Company, with suspended dividend entitlement. The claim to dividends against the Company on such registered shares shall be suspended as long as such registered shares are registered with VPC. In lieu thereof, on each such registered share, an amount equivalent to the dividend resolved on a registered share of the Company shall be paid in Swedish kronor by ABB Norden Holding AB based on the dividend entitlement on a preference share.
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The Chairman declares that the Annual General Meeting has approved the proposal to amend Article 8 Paragraph 1 of the Articles of Incorporation with 99.48% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

#### Agenda item 8b)

On behalf of the Board of Directors, the Chairman proposes that the wording of Article 19i) of the Articles of Incorporation should be amended in line with the text published in the invitation document, which shareholders can see projected on the screen in the background

#### Article 19i

Special Quorum		The approval of at least two-thirds of the votes represented shall be required for resolutions of the General Meeting of Shareholders with respect to: <ul style="list-style-type: none"> <li>i) the dissolution of the Company.</li> </ul>
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The Chairman declares that the Annual General Meeting has approved the proposal to amend Article 19i) of the Articles of Incorporation with 99.54% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

Agenda item 8c)

On behalf of the Board of Directors, the Chairman proposes that the wording of Article 20 of the Articles of Incorporation should be amended in line with the text published in the invitation document, which shareholders can see projected on the screen in the background

## Article 20

Number of Directors	The Board of Directors shall consist of no less than 7 and no more than 13 members.
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The Chairman declares that the Annual General Meeting has approved the proposal to amend Article 20 of the Articles of Incorporation with 99.43% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

Agenda item 8d)

On behalf of the Board of Directors, the Chairman proposes that the wording of Article 22 Paragraph 1 of the Articles of Incorporation should be amended in line with the text published in the invitation document, which shareholders can see projected on the screen in the background

## Article 22

Organization of the Board, Remuneration	1 The Board of Directors shall elect from among its members one Chairman. It shall appoint a secretary who needs not be a member of the Board.
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The Chairman declares that the Annual General Meeting has approved the proposal to amend Article 22 Paragraph 1 of the Articles of Incorporation with 97.36% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

Agenda item 8e)

On behalf of the Board of Directors, the Chairman proposes that the wording of Article 28 of the Articles of Incorporation should be amended in line with the text

published in the invitation document, which shareholders can see projected on the screen in the background

#### Article 28

Term, Powers and Duties            1    The Auditors, which shall be elected by the General Meeting of Shareholders each year, shall have the powers and duties vested in them by law.

[2    cancelled]

The Chairman declares that the Annual General Meeting has approved the proposal to amend Article 28 of the Articles of Incorporation with 99.52% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

### 9. Elections to the Board of Directors

The Chairman observes that the date of today's Annual General Meeting coincides with the end of the term of office of all the members of the Board of Directors.

The Chairman states that all the outgoing board members, i.e. Messrs

- Hubertus von Grünberg
- Roger Agnelli
- Louis R. Hughes
- Hans Ulrich Märki
- Michel de Rosen
- Michael Treschow
- Bernd W. Voss
- Jacob Wallenberg,

offer themselves for re-election for a new period of office.

The Chairman informs shareholders that they can find a brief profile of the officers proposed for re-election on the information sheet that they found on their chair on entering the hall.

The Chairman remarks that he proposes, as stated in the invitation document, to conduct the vote on elections to the Board of Directors individually. Elections will be for a period of office of one year, i.e. until the 2009 ordinary Annual General Meeting.

The Chairman opens the discussion on this agenda item.

1<sup>st</sup> speaker – Roger Siegenthaler, Jegenstorf:

The speaker comments that currently no women sit on the ABB Board of Directors. He suggests that when ABB next seeks to recruit new top executives, it should bear this fact in mind.

The Chairman replies that the speaker's suggestion is a good one and states that the "Governance, Nomination and Compensation Committee" will take it up.

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

The Chairman declares that the Annual General Meeting has re-elected Mr. Hubertus von Grünberg with 99.22% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

The Chairman declares that the Annual General Meeting has re-elected Mr. Roger Agnelli with 95.53% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

The Chairman declares that the Annual General Meeting has re-elected Mr. Louis R. Hughes with 97.30% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

The Chairman declares that the Annual General Meeting has re-elected Mr. Hans Ulrich Märki with 99.43% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

The Chairman declares that the Annual General Meeting has re-elected Mr. Michel de Rosen with 99.42% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

The Chairman declares that the Annual General Meeting has re-elected Mr. Michael Treschow with 97.39% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

The Chairman declares that the Annual General Meeting has re-elected Mr. Bernd W. Voss with 95.44% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

The Chairman declares that the Annual General Meeting has re-elected Mr. Jacob Wallenberg with 97.49% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

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

## **10. Election of the auditors**

Under this agenda item, the Board of Directors proposes to re-elect Ernst & Young AG as auditors for the financial year 2008.

Ernst & Young AG has declared that they are willing once again to perform their duties as auditors for the financial year 2008. The Chairman thanks them for this.

There are no comments from the floor on this agenda item, and so the Chairman moves on to the vote. He declares that Ernst & Young AG has been re-elected as auditors for the financial year 2008 with 92.39% yes-votes. [The vote-counter's report with precise voting results can be found in Appendix 5 to these Minutes.]

The Chairman comments that the meeting has now come to an end. On behalf of the Board of Directors and the group management, he thanks the ABB Group Executive Committee and all employees of the whole ABB group most warmly for their extraordinary commitment. The Chairman also thanks the shareholders for the confidence they have expressed in the management and directors over the years. He announces that the next ordinary Annual General Meeting will take place on 5 May 2009 and closes the Annual General Meeting at 13.00 p.m.

The Chairman:

The minute-writer:

.....  
Hubertus von Grünberg

.....  
Diane de Saint Victor

Zürich, 26 May 2008

Appendices:

1. Auditors' and group auditor's report on the consolidated financial statements and annual financial statements for 2007
2. Invitation document with the items on the agenda and the proposals of the Board of Directors
3. Hubertus von Grünberg's speech
4. Michel Demaré's speech
5. Vote-counter's report with precise voting results