

# **ABB Ltd**

## **MINUTES**

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

**held on 4 May 2006 at 10 a.m.**

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

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Chairman: Jürgen Dormann

Minute-writer: John Scriven  
General Counsel und  
Secretary of the Board of Directors

Vote-counter: Ralph Schultheiss

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## **Agenda**

1. Reporting for Fiscal 2005
2. Approval of the Annual Report, the Consolidated Financial Statements, and the Annual Financial Statements for 2005
3. Discharge of the Board of Directors and the Persons entrusted with Management
4. Appropriation of available Earnings
5. Elections to the Board of Directors
6. Election of Auditors, Group Auditors and Special 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, representatives from the media, and the school classes present from Baden and Wil. He introduces those members of the board of directors who are present at the meeting, namely Louis Hughes, Hans Ulrich Märki, Bernd Voss and Jacob Wallenberg. Finally, he thanks the musically inclined apprentices from ABB Switzerland who are providing the musical setting.

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 Fred Kindle, chairman of the ABB group executive committee, Michel Demaré, chief financial officer, and John Scriven, head of the group's legal department, are sitting with him up on the podium, and that all the other members of the ABB group executive committee are present among the shareholders.

The Chairman appoints John Scriven as minute-writer.

The Chairman declares that the auditors and group auditor are represented by Mr. Charles Barone, and 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 Mr. Ralph Schultheiss, legal adviser to ABB Switzerland, 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. 70 of 10 April 2006 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 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 2005 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 Chairman indicates that the agenda together with the board of directors' proposals can be found on pages 2 to 4 of 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 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. Reporting for Fiscal 2005

The Chairman informs the meeting that he will make a few remarks about the financial year 2005 from the point of view of the board of directors. After his comments, Fred Kindle, chairman of the ABB group executive committee, will report for Fiscal 2005 and provide shareholders with an outlook on the future of the ABB Group.

The Chairman then gives his Chairman's speech, which as Appendix 1 forms an integral part of the original minutes.

The Chairman calls on Mr. Kindle to speak, whose speech as Appendix 2 likewise forms an integral part of the original minutes. The Chairman thanks Mr. Kindle for his remarks.

Meanwhile the Chairman receives the attendance figures, enabling him to announce the following: 1,506 shareholders are present. Adding in the represented shareholders results in an attendance of 506,012,809 registered shares at CHF 2.50 with a total nominal value of CHF 1,265,030,222.50. This corresponds to 43.2% 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 Mrs. Claudia Haltenberger.

The Chairman declares that

- Dr. Zehnder, in his role as independent proxy exercising a voting right, represents 106,655,189 registered shares with a total nominal value of CHF 266,637,972.50;
- Mrs. Haltenberger, the company's representative, represents 167,200,005 registered shares with a total nominal value of CHF 418,000,012.50; and
- the depository representative represents the votes of 59,978,799 registered shares with a total nominal value of CHF 149,946,997.50.

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.

The Chairman points out that the results of all ballots and elections will be recorded in writing by the vote-counter and 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 2005**

The Chairman indicates that the consolidated annual financial statements of ABB Ltd, i.e. the group accounts, can be found in the 2005 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 accounts of ABB Ltd are also included in the annual report. They were likewise audited by Ernst & Young AG and once again 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 accounts or on the annual accounts. Mr. Charles Barone has no further comment to make.

The Chairman opens the discussion on the annual report, the group accounts, and the 2005 annual accounts of ABB Ltd.

Mr. Hans-Jacob Heitz, Männedorf, comments that ABB has calmly found its way out of crisis back on to the road to success, and adds that this will probably be his last appearance at an ABB annual general meeting. He takes this opportunity to recapitulate the critical observations that he made at previous ABB annual general meetings, praises the shareholder-friendly way in which the ABB board openly provided information in connection with the Barnevik/Lindahl affair, and observes that corporate governance at ABB has improved, quite possibly as a result of his attacks.

He welcomes the new tone set with regard to ethics. Today he has confidence again in the management and the board of directors, which is why he recommends discharge and re-election. Today ABB is once again a pillar of the Swiss economy. This is above all thanks to the efforts of the Chairman, Mr. Jürgen Dormann, which is not to say that he underestimates the sterling work done by former CFO Peter Voser and today by CEO Fred Kindle.

Mr. Heitz also welcomes the self-criticism now voiced, which unfortunately is not the norm for Swiss public limited companies, and he finishes by expressing his gratitude to and admiration for the Chairman.

The Chairman mentions a change in Mr. Heitz's professional career, which is the reason why the latter will not be attending any more ABB annual general meetings.

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 group accounts and the annual accounts for 2005.

The Chairman declares that the Annual General Meeting has approved the annual report, the group accounts and the annual accounts for 2005 with 99.6% yes-votes (precise voting results in Appendix 5).

### **3. Discharge of the Board of Directors and 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 financial year 2005. 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 2005 with 99.3% yes-votes (precise voting results in Appendix 5).

#### **4. Appropriation of available Earnings**

The Chairman states that the 2005 consolidated financial statements result in a profit of USD 735 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 60,443,065. With the profit carried forward from the previous year, and providing that shareholders approve the proposed dissolution of the reserves, a net profit is available to the Annual General Meeting amounting to CHF 371,013,649.

On behalf of the board of directors, the Chairman proposes:

- to transfer an amount of CHF 300,000,000 from the general reserve to the profit carried forward,
- to pay a dividend of CHF 0.12 gross per registered share, although all shares held by ABB on the qualifying date in its own holding are not eligible for dividend, and
- to carry forward to new account the remaining amount of the net profit available to the Annual General Meeting.

If this proposal is approved, the dividend for the financial year 2005 will be paid out from 9 May 2006 onwards.

The Chairman adds that shareholders residing in Sweden who participate in the special dividend program will receive an amount in Swedish crowns from ABB Participation AB that corresponds to the dividend decided for an ABB Ltd registered share with no deduction of Swiss Federal withholding tax. However, this amount will then be subject to tax under Swedish law.

The Chairman further states that the auditors confirm in their report that this proposal by the board relating to the appropriation of net profit 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 net profit for the year 2005 with 99.6% yes-votes (precise voting results in Appendix 5).

## **5. 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, Messrs

- Roger Agnelli
- Jürgen Dormann
- 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 remarks that the board of directors proposes that the outgoing members of the board be re-elected for a period of office of one year, i.e. until the 2007 ordinary Annual General Meeting. He states, further, that the board of directors intends to re-elect himself at its next meeting as its chairman.

The Chairman explains that the board of directors performs its duties as a team. It is an experienced team with members well used to working harmoniously together. The board's proposal reflects a desire to keep the team intact. Accordingly, he suggests that the elections to the board of directors of ABB Ltd should be conducted globally, i.e. collectively for all the officers standing for re-election.

There are no comments from the floor on this agenda item, and so the Chairman moves on to the vote on the global re-election of the proposed officers to the board of directors.

The Chairman declares that the Annual General Meeting has re-elected all 8 outgoing members of the board of directors with 98.9% yes-votes (precise voting results in Appendix 5).

On behalf of his colleagues on the board of directors, the Chairman thanks the shareholders for the confidence that they have expressed both in his colleagues and in himself.

## **6. Election of Auditors, Group Auditors and Special Auditors**

Under this agenda item, the board of directors proposes to re-elect for the financial year 2006 Ernst & Young AG as auditors and group auditors, and OBT AG as special auditors in accordance with Article 28 of the Articles of Incorporation.

Both Ernst & Young AG and OBT AG have declared themselves willing once again to perform their duties as auditors, group auditors and special auditors for the financial year 2006. 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 and OBT AG have been re-elected as auditors and group auditors and, respectively, as special auditors for the financial year 2006 with 99.3 % yes-votes (precise voting results in Appendix 5).

The Chairman comments that now that the last item on the agenda has been dealt with, the meeting comes to an end. On behalf of the board of directors and the group management, he thanks 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. He announces that the next ordinary Annual General Meeting will take place on 3 May 2007 and closes the Annual General Meeting at 11.15 a.m.

The Chairman:

The minute-writer:

Jürgen Dormann

John Scriven

Zürich, 29 May 2006

Appendices:

1. Jürgen Dormann's speech
2. Fred Kindle's speech
3. Auditors' and Group Auditors' report on the Annual Report, the Consolidated Financial Statements, and the Annual Financial Statements for 2005
4. Invitation document with the items on the agenda and the proposals of the board of directors
5. Vote-counter's report with precise voting results