

2018 Notes Indenture

On April 3, 2018, ABB's subsidiary, ABB Finance (USA) Inc., issued (i) \$300,000,000 aggregate principal amount of 2.8% notes due 2020 (ii) \$450,000,000 aggregate principal amount of 3.375% notes, due 2023 (iii) \$750,000,000 aggregate principal amount of 3.8% notes due 2028 under an Indenture and Supplemental Indenture dated, dated as of April 3, 2018, among ABB Finance (USA) Inc., ABB and Bank of America Company Americas (the "2018 Indenture"). The notes due in 2020 were repaid at maturity. The 2023 notes were redeemed in full in 2020 following the exercise of ABB's early redemption option. The 2028 notes were subject to a cash tender offer in 2020 by the issuer and redeemed in part. Pursuant to the 2018 Indenture, ABB has fully and unconditionally guaranteed payment of principal, if any, and interest in respect of the outstanding notes. See Exhibits 4.4 and 4.5 to Report Annual

Exchange controls

Other than in connection with Swiss government sanctions imposed on Belarus, Burundi, the Republic of the Democratic Republic of the Congo, Guinea, the Republic of Guinea-Bissau, Haiti, the Republic of Iran, the Republic of Iraq, Lebanon, Libya, the Republic of Mali, Moldova, Myanmar, Nicaragua, the Democratic People's Republic of Korea (North Korea), Somalia, the Republic of Sudan, Syria, Venezuela, Yemen, Zimbabwe, persons and organizations with connection to the Osama bin Laden, the "al Qaeda" group or the Taliban, certain persons connected with the Russian Federation and sanctions in connection with the situation in the Ukraine, there are currently no regulations in Switzerland that restrict the export or import of capital, including, but not limited to, exchange controls on payment of dividends, interest or liquidation proceeds, if any, to non-Swiss residents or shareholders of shares. In addition, there are no limitations imposed by Swiss law or ABB Indenture on the rights of non-Swiss residents or non-Swiss citizens as shareholders to hold shares or to

Taxation

Swiss Taxation

Withholding Tax on Dividends and Other Distributions

Dividends paid and similar cash or in-kind distributions that we make to a holder of shares or ADSs (including liquidation proceeds and stock dividends and taxable income resulting from partial liquidation) to a Swiss federal withholding tax at a rate of 35 percent unless such distribution qualifies as a distribution to a Swiss federal withholding tax organization under applicable Swiss legislation. A repurchase of shares by us for capital purposes is defined as a partial liquidation of the Company. In this case, the difference between the shares and their repurchase price is qualified as taxable income. The same would apply upon a repurchase of shares if we were not to dispose of the repurchased shares within six months after the repurchase, or if 10 percent of outstanding shares were exceeded. We must withhold the tax on the distribution and pay it to the Swiss Federal Tax Administration.

Obtaining a Refund of Swiss Withholding Tax for U.S. Residents

The Convention between the Swiss Confederation and the United States of America for the Avoidance of Double Taxation with Respect to Taxes on Income, which was signed on October 2, 1996 (hereinafter referred to as the Treaty), and which we will refer to in the following discussion as the Treaty, allows U.S. resident corporations to seek a refund of the Swiss withholding tax paid in respect of dividends. U.S. resident individuals and U.S. corporations holding the voting rights in respect of our shares or ADSs are entitled to seek a refund of the Swiss withholding tax to the extent the tax withheld exceeds 15 percent of the gross dividend or other distributions. U.S. resident individuals holding 10 percent or more of the voting rights of our shares or ADSs are entitled to seek a refund of the Swiss withholding tax to the extent the tax withheld exceeds 5 percent of the gross dividend or other distributions. U.S. pension or other retirement arrangements and - as from January 1, 2000 - individual retirement saving plans that do not control the Company are entitled to seek a full refund of the Swiss withholding tax.

Claims for refunds must be filed with the Swiss Federal Tax Administration, Eigerstrasse 65, 3000 Bern, no later than December 31 of the third year following the calendar year in which the dividend or distribution became payable. The form used for obtaining a refund is Swiss Tax Form 82 (for companies; 82E for other entities; 82I for individuals; 82R for regulated investment companies). The form may be obtained from any Swiss Consulate General in the United States, from the Swiss Federal Tax Administration at the address above, or from www.est.vw.admin.ch. The form must be filled out in triplicate, each copy duly completed and signed before a notary public in the United States. The form must be accompanied by evidence of the deduction of withholding tax withheld at the source (including a tax deduction certificate from the custodian bank).

Stamp Duties upon Transfer of Securities

The sale of shares or ADSs, whether by Swiss resident or non-resident holders, may be subject to a Swiss transfer stamp duty of up to 0.15 percent calculated on the sale proceeds if it is effected through a Swiss bank or other Swiss securities dealer as defined in the Swiss Federal Stamp Tax Act. If the sale of shares or ADSs is effected by or through a member of the SIX Swiss Exchange, the sale is not subject to a stock exchange levy.

United States Taxes

The following is a summary of the material U.S. federal income tax consequences of the ownership (as defined below) of shares or ADSs. This summary does not purport to address all of the considerations that may be relevant to a decision to purchase, own or dispose of shares or ADSs. It assumes that U.S. holders hold shares or ADSs as capital assets for U.S. federal income tax purposes. This summary does not address tax considerations applicable to holders that may be subject to special tax rules, such as U.S. expatriates, dealers or traders in securities or currencies, persons who are exempt entities, banks and other financial institutions, regulated investment companies that elect to apply a mark-to-market method of accounting, insurance companies (not deemed to own) at least 10 percent or more (by voting power or value) of the stock of a corporation whose functional currency is not the U.S. dollar, persons subject to the alternative minimum tax, persons subject to special tax accounting rules as a result of any item of gross income with respect to ADSs being taken into account in an applicable financial statement, persons that will be treated as a partner in a straddle or as part of a hedging or conversion transaction for purposes of the U.S. federal income tax, and persons who are not U.S. holders. This discussion does not address aspects of U.S. federal income taxation, nor does it address state, local or foreign tax consequences of shares or ADSs.

This summary is based on (i) the Internal Revenue Code of 1986, as amended, U.S. Treasury Regulations and administrative interpretations thereof, in each case as in effect and available at the time of the preparation of this document and (ii) in part, on representations of the depositary and the issuer that the deposit agreement and any related agreement will be performed in accordance with the U.S. tax laws and regulations and the interpretation thereof are subject to change, which may be retroactive and could affect the tax consequences described below.

For purposes of this summary, a U.S. holder is a beneficial owner of shares or ADSs that, for U.S. federal purposes, is:

- a citizen or individual resident of the United States,
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) or organized in or under the laws of the United States or any state, including the District of Columbia;
- an estate if its income is subject to U.S. federal income taxation regardless of its source, or
- a trust if such trust validly has elected to be treated as a U.S. person for U.S. federal income tax purposes (i) a U.S. court can exercise primary supervision over its administration and (ii) a U.S. person has the authority to control all of its substantial decisions.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of shares or ADSs, the treatment of a partner in the partnership will generally be the partner and the activities of the partnership. If you are a partner in a partnership or ADSs you should consult your tax advisor.

Each prospective purchaser should consult the purchaser's tax advisor with respect to the U.S. federal and foreign tax consequences of acquiring, owning or disposing of shares or ADSs.

Ownership of ADSs in General, and Exchange of ADSs for Shares

For U.S. federal income tax purposes, a holder of ADSs generally will be treated as the owner of the shares represented by the ADSs, and the following discussion assumes that such treatment will be respected. If so, will be recognized upon an exchange of shares for ADSs or an exchange of ADSs for shares. Treasury has expressed concerns that intermediaries in the chain of ownership between the ADSs and the issuer of the security underlying the ADS may be taking actions that are inconsistent with the ownership of the underlying shares. Accordingly, the creditability of foreign tax credits for the reduced tax rate for dividends received by certain non-corporate U.S. holders of ADSs, as would be affected by actions taken by intermediaries in the chain of ownership between the ADSs and ABB.

Distributions

In general, for U.S. federal income tax purposes, the gross amount of distributions (other than distributions, if any, of shares distributed to all shareholders of ABB, including holders of ADSs) with respect to shares or ADSs, including the amount of any Swiss taxes withheld from the distributions, will be includible in gross income in the year received to the extent of the ABB's undistributed earnings and profits (as determined under U.S. federal income tax principles).

Non-corporate U.S. holders generally will be taxed on such distributions at the lower rates applicable to capital gains (i.e., gains from the sale of capital assets held for more than one year) if the distributions are classified as "qualified dividends" for U.S. federal income tax purposes. If such distributions are not classified as "qualified dividends," they will be treated as dividends and will not be treated as "qualified dividends" if we were to be classified as a "passive foreign investment company" (PFIC) for U.S. federal income tax purposes in the year the dividend is paid or in the year prior to the year that the dividend is paid. Based on certain gross assets and gross assets and the nature of its business, ABB believes that it will not be classified as a PFIC for the taxable year ended December 31, 2022, and does not expect to be classified as a PFIC for the year ending December 31, 2023. ABB's status in the current year and in future years will depend on its activities in those years. ABB has no reason to believe that its assets or activities will cause it to be classified as a PFIC. However, as PFIC status is a factual determination, among other things, the composition of the income and assets, and the market value of the assets as reflected in market capitalization, of ABB and its subsidiaries that must be determined annually for each taxable year, there can be no certainty regarding ABB's PFIC status in any particular year of that year. Furthermore, because the value of our gross assets is likely to be determined by reference to our market capitalization, a decline in the value of our shares or ADSs may result in ABB being classified as a PFIC. Accordingly, there can be no assurance with respect to our status as a PFIC for any taxable year or any future taxable year. The remainder of this discussion assumes that ABB is not classified as a PFIC. U.S. holders are urged to consult their own tax advisors regarding the applicability of the reduced dividend rate in light of their own particular circumstances and the consequences of ABB being classified as a PFIC with respect to any taxable year.

Dividends paid to U.S. corporate holders will not be eligible for the dividends received deduction generally available to U.S. holders.

If you are a U.S. holder and distributions with respect to shares or ADSs exceed ABB's current and accumulated earnings and profits as determined under U.S. federal income tax principles, then the excess would be treated first as a tax-free return of capital to the extent of your adjusted share basis in ADSs. Any amount in excess of the amount of the dividend and the return of capital would be treated as capital gain. ABB does not maintain calculations of its earnings and profits under U.S. federal income tax principles, so a U.S. holder should expect all cash distributions to be treated as for U.S. federal income tax purposes.

If you are a U.S. holder, then dividends paid in Swiss francs, including the amount of any Swiss francs from the dividends, will be included in your gross income in an amount equal to the U.S. dollar value of the dividends calculated by reference to the spot exchange rate in effect on the day the dividends are received. In the case of ADSs, dividends generally are includible in income on the date they are received by the depository, regardless of whether the payment is in fact converted into U.S. dollars. If dividends paid in Swiss francs are converted into U.S. dollars on the day they are received, you generally should not be required to recognize foreign currency gain or loss when the dividends are received. However, any gains or losses resulting from the conversion of Swiss francs to U.S. dollars at the time of dividends paid in Swiss francs and the time the Swiss francs are converted into U.S. dollars should be treated as ordinary income or loss to you. The amount of any distribution of property will be the fair market value of the property on the date of distribution.

If you are a U.S. holder, then dividends received by you with respect to shares or ADSs will be foreign source income, which may be relevant in calculating your foreign tax credit limitation. Subject to conditions and limitations, Swiss tax withheld on dividends may be deducted from your tax or credited against your U.S. federal income tax liability. However, to the extent that you do not receive a refund of Swiss withholding taxes pursuant to the U.S.-Switzerland tax treaty, you may be able to claim the U.S. foreign tax credit with respect to the amount of such withholding taxes withheld, even if you fail to claim the refund. See “—Swiss Taxation—Obtaining a Refund of Withholding Tax for U.S. Residents”. The limitation on foreign taxes eligible for credit is attributable to specific classes of income. For this purpose, dividends distributed by ABB generally will be passive income. The rules relating to the determination of the U.S. foreign tax credit and your basis will be determined by your tax advisor to determine whether and to what extent you would be entitled to this.

Sale, Exchange or other Taxable Disposition of Shares or ADSs

If you are a U.S. holder that holds shares or ADSs as capital assets, then you generally will recognize capital gain or loss for U.S. federal income tax purposes upon a sale, exchange or other taxable disposition of shares or ADSs. The amount realized on the disposition of shares or ADSs will be the difference between your adjusted tax basis in the shares or ADSs and the amount realized on their disposition. If you are a non-corporate U.S. holder, the maximum capital gains tax rate applicable to the gain is generally lower than the maximum ordinary income tax rate applicable to ordinary income (other than certain dividends) if your holding period for ADSs exceeds one year (i.e., long term capital gains). If you are a U.S. holder, then the gain, if any, recognized by you generally will be treated as U.S. source income or loss, for purposes of the foreign tax credit.

If you are a U.S. holder and you receive any foreign currency on the disposition of shares or ADSs, the amount realized will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of the taxable disposition. If the shares are treated as traded on an established securities market, the U.S. holder and an accrual basis U.S. holder who has made a special election (which must be made consistently from year to year and cannot be changed without the consent of the U.S. Revenue Service) will determine the U.S. dollar value of the amount realized in foreign currency by the amount received at the spot rate of exchange on the settlement date of the disposition. If you are a U.S. holder that does not make the special election, you will recognize U.S. source income or loss as a result of currency fluctuations between the trade date and the settlement date of the disposition of shares or ADSs.

Medicare Tax

For taxable years beginning after December 31, 2012, certain U.S. holders who are individuals, estates or trusts must pay a 3.8 percent tax on the lesser of (i) the U.S. holder's net investment income for the year and (ii) the excess of the U.S. holder's modified adjusted gross income for the year over the applicable threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A U.S. holder's net investment income will generally include income from dividends, net gains from the disposition of shares or ADSs, unless such income or net gain is derived from the conduct of a trade or business (other than a trade or business that is passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, you should consult your tax advisor regarding the applicability of the Medicare tax to your net investment income in shares or ADSs.

Information with Respect to Foreign Financial Assets

Certain U.S. holders who are individuals (and certain entities) that hold an interest in foreign financial assets (which may include the shares) are required to report information relating to such assets on certain exceptions (including an exception for shares held in accounts maintained by certain financial institutions). Penalties can apply if U.S. holders fail to satisfy such reporting requirements. Consult your tax advisor regarding the effect, if any, of this requirement on the disposition of the shares.