

Exchange controls

Other than in connection with Swiss governmentsanctions 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, Myanmar (Burma), the Democratic People's Republic of Korea (North Korea), Somalia, the Republic of South Sudan, Syria, Venezuela, Yemen, Zimbabwe, persons and organizations with connection to the late Osama bin Laden, the "al Qaeda" group or the Taliban, certain persons connected with the assassination of Radikharirons in connection with the situation in the Ukraine, there are currently no laws, regulations in Switzerland that restrict the export or import of capital, including, but not limited to, Swiss exchange controls on payment of dividends, interest or liquidation proceeds, if any, to non-Swiss shareholders of shares. In addition, there are no limitations imposed by Swiss law or ABB Ltd on the exercise of 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 for an exemption 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 on a repurchase of shares if we were not to dispose of the repurchased shares within six years after purchase, or if 10 percent of outstanding shares were exceeded. We must withhold the tax on the gross 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 if they qualify for benefits under the Treaty. U.S. resident individuals and U.S. citizens who are entitled to exercise 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 - U.S. 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, 3003 Berne, no later than December 31 of the third year following the calendar year in which the dividend distribution became payable. The form used for obtaining a refund is Swiss Tax Form 82 (82E for 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 www.estv.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 tax deducted by 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 securities dealer as defined in the Swiss Federal Stamp Tax Act. However, the sale of shares or ADSs by or through a member of the SIX Swiss Exchange 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 tax 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, partnerships, tax-exempt entities, banks and other financial institutions, regulated investment companies, insurance companies (not deemed to own) at least 10 percent or more (by voting power or value) of the stock of an ADS 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 or a position in a straddle or as part of a hedging or conversion transaction for U.S. tax purposes and persons who are not U.S. holders. This discussion does not address aspects of U.S. taxation of a U.S. federal income tax, nor does it address state, local or foreign tax consequences of shares or ADSs.

This summary is based (i) on the Internal Revenue Code of 1986, as amended, U.S. Treasury Regulations and administrative interpretations thereof, in each case as in effect and applicable on the date of the statement 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 apply retroactively 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 tax 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) have 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 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. The U.S. Treasury has expressed concerns that intermediaries in the chain of ownership between the ADS and the issuer of the security underlying the ADS may be taking actions that are the best interests of the ownership of the underlying shares. Accordingly, the creditability of foreign tax credits and the reduced tax rate for dividends received by certain non-corporate U.S. holders will be affected by actions taken by intermediaries in the chain of ownership between the ADS and ABB.

Distributions

In general, for U.S. federal income tax purposes, the gross amount of distributions (other than dividends) 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 of dividends and be includible in gross income in the year received to the extent of 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) with respect to 2022, provided that the U.S. holder meets certain holding period and other requirements. If such distributions constitute "qualified dividends" for U.S. federal income tax purposes, they will be treated as "qualified dividends" if we were to be treated as a "qualified 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 income and gross assets and the nature of its business, ABB believes that it will not be classified as a PFIC for the taxable year ending 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 activities in those years. ABB has no reason to believe that its assets or activities will change 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. If, in any 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 will not be classified as a PFIC. U.S. holders are urged to consult their own tax advisors regarding the availability of the reduced dividend rate in light of their own particular circumstances and the consequences if ABB were to be treated 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, 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 Swiss franc 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. 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 conversion occurs. However, any gains or losses resulting from the conversion of Swiss francs between the time of dividends paid in Swiss francs and the time the Swiss francs are converted into U.S. dollars is ordinary income or loss to you. The amount of any distribution of property will be based on its fair market value of the property on the date of distribution.

Sale, Exchange or other Taxable Disposition of Shares or ADSs

If you are a U.S. holder and you receive any foreign currency on the disposition of shares or ADSs, the realized value will be the U.S. dollar value of the payment received, translated at the spot rate of exchange on the date of the sale or other 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 applied 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. A U.S. holder that does not make the special election will recognize U.S. source ordinary income as a result of currency fluctuations between the trade date and the settlement date of the disposition for ADSs.

Medicare Tax

For taxable years beginning after December 31, 2012, certain U.S. holders who are individuals, estates most pay a 3.8 percent tax on the lesser of (i) the U.S. holder's "net investment income" for the year or (ii) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a 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 its net gains from the disposition of shares or ADSs, unless such income or net gain is derived in the course of the conduct of a trade or business (other than a trade or business conducted in the course of or trading activities). If you are a U.S. holder that is an individual, estate or trust, consult your tax advisor regarding the applicability of the Medicare tax to your investment 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 your ownership of the shares.

Backup Withholding and Information Reporting

U.S. backup withholding tax and information reporting requirements generally apply to certain payments to non-corporate holders of stock. Information reporting generally will apply to payments made to you from the sale or redemption of, shares or ADSs made within the United States to holders of ADSs (other than an exempt recipient, including a corporation, a payee that is not a U.S. person, and certain other persons).

A payor will be required to withhold backup withholding tax from any payments of dividends on, proceeds from the sale or redemption of, shares or ADSs within the United States to you, unless you are an exempt recipient, if you fail to furnish your correct taxpayer identification number or otherwise fail to comply with backup withholding tax requirements. U.S. holders who are required to comply with backup withholding tax requirements may be required to provide such certification on U.S. Internal Revenue Service Form W-9. Backup withholding is not an additional tax. The amount of any backup withholding from a payment may be used as a credit against your U.S. federal income tax liability and may entitle you to a refund if the required information is furnished timely to the U.S. Internal Revenue Service.

THE ABOVE SUMMARIES ARE NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF SHARES OR ADSs. PROSPECTIVE PURCHASERS OF SHARES OR ADSs SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS.

Documents on display

We are subject to the informational requirements of the Exchange Act. In accordance with these requirements, we file reports and other information with the SEC. The SEC maintains a website at www.sec.gov that contains reports, including this Annual Report and the exhibits thereto, and information regarding registrants that file electronically with the SEC. Our Annual Reports on Form 20-F, Form 6-K and other information we submit to the SEC may be accessed through this website. Material that we file can be inspected at the offices of the New York Stock Exchange at 11 Wall Street, New York, New York 10005.