# Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

**2017**

**This Form is Open to Public Inspection**

## Part I Annual Report Identification Information

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

**B** This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

**C** If the plan is a collectively-bargained plan, check here. . . . . ▶ [X]

**D** Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

## Part II Basic Plan Information—enter all requested information

**1a** Name of plan
ABB INC. PENSION PLAN (UE 625 AND 626)

**1b** Three-digit plan number (PN) ▶ 106

**1c** Effective date of plan 09/15/1984

**2a** Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)

ABB INC.

305 GREGSON DRIVE
CARY, NC 27511

**2b** Employer Identification Number (EIN)
36-3100018

**2c** Plan Sponsor's telephone number
919-856-2360

**2d** Business code (see instructions)
335900

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | | |
|---|---|---|---|
| **SIGN HERE** | Filed with authorized/valid electronic signature. | 10/09/2018 | DANIEL HAGMANN |
| | **Signature of plan administrator** | Date | Enter name of individual signing as plan administrator |
| **SIGN HERE** | | | |
| | **Signature of employer/plan sponsor** | Date | Enter name of individual signing as employer or plan sponsor |
| **SIGN HERE** | | | |
| | **Signature of DFE** | Date | Enter name of individual signing as DFE |

| | | |
|---|---|---|
| **3a** Plan administrator's name and address [X] Same as Plan Sponsor | **3b** Administrator's EIN | |
| | **3c** Administrator's telephone number | |
| **4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:<br>**a** Sponsor's name<br>**c** Plan Name | **4b** EIN<br>**4d** PN | |
| **5** Total number of participants at the beginning of the plan year | **5** | 202 |
| **6** Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**). | | |
| **a(1)** Total number of active participants at the beginning of the plan year | **6a(1)** | 74 |
| **a(2)** Total number of active participants at the end of the plan year | **6a(2)** | 77 |
| **b** Retired or separated participants receiving benefits | **6b** | 74 |
| **c** Other retired or separated participants entitled to future benefits | **6c** | 34 |
| **d** Subtotal. Add lines **6a(2)**, **6b**, and **6c** | **6d** | 185 |
| **e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. | **6e** | 18 |
| **f** Total. Add lines **6d** and **6e**. | **6f** | 203 |
| **g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) | **6g** | 0 |
| **h** Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested | **6h** | 0 |
| **7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) | **7** | |

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1B 3H

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

| **9a** Plan funding arrangement (check all that apply) | | **9b** Plan benefit arrangement (check all that apply) | |
|---|---|---|---|
| **(1)** | [ ] Insurance | **(1)** | [ ] Insurance |
| **(2)** | [ ] Code section 412(e)(3) insurance contracts | **(2)** | [ ] Code section 412(e)(3) insurance contracts |
| **(3)** | [X] Trust | **(3)** | [X] Trust |
| **(4)** | [ ] General assets of the sponsor | **(4)** | [ ] General assets of the sponsor |

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

**a Pension Schedules**

- **(1)** [X] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [X] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [X] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

## Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

**11a** If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....…… ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

**11b** Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

**11c** Enter the Receipt Confirmation Code for the 2017 Form M-1 annual report. If the plan was not required to file the 2017 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

# Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan
ABB INC. PENSION PLAN (UE 625 AND 626)

**B** Three-digit plan number (PN) ▶ 106

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
ABB INC.

**D** Employer Identification Number (EIN)
36-3100018

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

**1** Enter the valuation date: Month 01 Day 01 Year 2017

**2** Assets:

| | | |
|---|---|---|
| **a** Market value | **2a** | 26617989 |
| **b** Actuarial value | **2b** | 27100275 |

**3** Funding target/participant count breakdown

| | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
|---|---|---|---|
| **a** For retired participants and beneficiaries receiving payment | 93 | 12207277 | 12207277 |
| **b** For terminated vested participants | 35 | 2079310 | 2079310 |
| **c** For active participants | 74 | 10424251 | 10474874 |
| **d** Total | 202 | 24710838 | 24761461 |

**4** If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

| | | |
|---|---|---|
| **a** Funding target disregarding prescribed at-risk assumptions | **4a** | |
| **b** Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | **4b** | |
| **5** Effective interest rate | **5** | 6.00 % |
| **6** Target normal cost | **6** | 711367 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

Signature of actuary — Date: 09/10/2018

JOHN D STEELE — Type or print name of actuary

17-05326 — Most recent enrollment number

TOWERS WATSON DELAWARE INC. — Firm name

203-326-5400 — Telephone number (including area code)

3001 SUMMER STREET
FLOOR 5
STAMFORD, CT 06905

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of Year Carryover and Prefunding Balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) | 0 | 4032418 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | 341095 |
| 9 | Amount remaining (line 7 minus line 8) | 0 | 3691323 |
| 10 | Interest on line 9 using prior year's actual return of 7.05 % | 0 | 260238 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | **a** Present value of excess contributions (line 38a from prior year) | | 0 |
| | **b(1)** Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.20% | | 0 |
| | **b(2)** Interest on line 38b from prior year Schedule SB, using prior year's actual return | | 0 |
| | **c** Total available at beginning of current plan year to add to prefunding balance | | 0 |
| | **d** Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 2000000 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 0 | 1951561 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 101.56% |
| 15 | Adjusted funding target attainment percentage | 15 | 109.44% |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 101.32% |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. | 17 | % |

## Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 07/17/2018 | 4625000 | 0 | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | Totals ► 18(b) | 4625000 | 18(c) 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: | | |
| | **a** Contributions allocated toward unpaid minimum required contributions from prior years. | 19a | 0 |
| | **b** Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| | **c** Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 4226961 |

20 Quarterly contributions and liquidity shortfalls:

**a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

**b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

**c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year

| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
|---|---|---|---|
| | | | |

## Part V Assumptions Used to Determine Funding Target and Target Normal Cost

**21** Discount rate:

**a** Segment rates:

| 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|
| 4.16% | 5.72% | 6.48% | ☐ N/A, full yield curve used |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | **21b** | 4 |
| **22** Weighted average retirement age | **22** | 62 |

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

| | | |
|---|---|---|
| **24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. | ☒ Yes | ☐ No |
| **25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. | ☐ Yes | ☒ No |
| **26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. | ☒ Yes | ☐ No |

| | | |
|---|---|---|
| **27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment | **27** | |

## Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

| | | |
|---|---|---|
| **28** Unpaid minimum required contributions for all prior years | **28** | 0 |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) | **29** | 0 |
| **30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) | **30** | 0 |

## Part VIII Minimum Required Contribution For Current Year

**31** Target normal cost and excess assets (see instructions):

| | | |
|---|---|---|
| **a** Target normal cost (line 6) | **31a** | 711367 |
| **b** Excess assets, if applicable, but not greater than line 31a | **31b** | 387253 |

**32** Amortization installments:

| | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 0 | 0 |
| **b** Waiver amortization installment | 0 | 0 |

| | | |
|---|---|---|
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____ ) and the waived amount | **33** | |
| **34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) | **34** | 324114 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 0 | 324114 | 324114 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | **36** | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 4226961 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 4226961 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | 324114 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

## Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

**41** If an election was made to use PRA 2010 funding relief for this plan:

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | **42** | |
| **43** Excess installment acceleration amount to be carried over to future plan years | **43** | |

| SCHEDULE C (Form 5500) | Service Provider Information | OMB No. 1210-0110 |
|---|---|---|
| Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).<br>▶ **File as an attachment to Form 5500.** | **2017**<br>**This Form is Open to Public Inspection.** |

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
ABB INC. PENSION PLAN (UE 625 AND 626)

**B** Three-digit plan number (PN) ▶ 106

**C** Plan sponsor's name as shown on line 2a of Form 5500
ABB INC.

**D** Employer Identification Number (EIN)
36-3100018

## Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

### 1 Information on Persons Receiving Only Eligible Indirect Compensation

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

TRILANTIC CAPITAL MANAGEMENT LLC

26-4600829

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

HARBOURVEST PARTNERS LP

74-3130888

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

WELLINGTON TRUST COMPANY, NA

04-2755549

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

OAKTREE CAPITAL MANAGEMENT, L.P.

26-0189082

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

AON HEWITT

36-2235791

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 13 64 50 | NONE | 28088 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

TOWERS WATSON

53-0181291

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 11 17 50 | NONE | 19812 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

PIMCO

33-0629048

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 52 28 51 | NONE | 17896 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [X] |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

GMO EDO FUND

27-2982895

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 28 51 | NONE | 15789 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

GRANT THORNTON

36-6055558

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 10 50 | NONE | 13275 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

AON RISK SERVICES

36-3871028

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 23 50 | NONE | 13108 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

BROWN ADVISORY

46-1017637

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 28 51 | NONE | 12574 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

BNY MELLON

13-5160382

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 21 50 | NONE | 12055 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

DODGE & COX

94-1441976

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 52 28 51 | NONE | 10891 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [X] |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

ABB BUSINESS SERVICES

36-3100018

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 50 | PLAN SPONSOR | 10587 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

MARATHON ASSET MANAGEMENT

95-4328983

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 52 28 51 | NONE | 7509 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [X] |

**(a)** Enter name and EIN or address (see instructions)

DDJ CAPITAL MANAGEMENT LLC

04-3300754

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 28 51 | NONE | 6710 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

MACKAY SHIELDS HYAC FUND

26-4248749

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 28 51 | NONE | 5556 | Yes [ ] No [X] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

**(a)** Enter name and EIN or address (see instructions)

NEUBERGER BERMAN

61-1591182

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| 27 28 51 52 | NONE | 4253 | Yes [X] No [ ] | Yes [X] No [ ] | 0 | Yes [ ] No [X] |

**(a)** Enter name and EIN or address (see instructions)

| (b) Service Code(s) | (c) Relationship to employer, employee organization, or person known to be a party-in-interest | (d) Enter direct compensation paid by the plan. If none, enter -0-. | (e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor) | (f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures? | (g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-. | (h) Did the service provider give you a formula instead of an amount or estimated amount? |
|---|---|---|---|---|---|---|
| | | | Yes [ ] No [ ] | Yes [ ] No [ ] | | Yes [ ] No [ ] |

## Part I Service Provider Information (continued)

**3.** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

| **(a)** Enter service provider name as it appears on line 2 | **(b)** Service Codes (see instructions) | **(c)** Enter amount of indirect compensation |
|---|---|---|
| | | |
| **(d)** Enter name and EIN (address) of source of indirect compensation | **(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. | |
| | | |

## Part II Service Providers Who Fail or Refuse to Provide Information

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

| **(a)** Enter name and EIN or address of service provider (see instructions) | **(b)** Nature of Service Code(s) | **(c)** Describe the information that the service provider failed or refused to provide |
|---|---|---|
| | | |

## Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

| | |
|---|---|
| **a** Name: | **b** EIN: |
| **c** Position: | |
| **d** Address: | **e** Telephone: |

Explanation:

# SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

## DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
ABB INC. PENSION PLAN (UE 625 AND 626)

**B** Three-digit plan number (PN) ▶ 106

**C** Plan or DFE sponsor's name as shown on line 2a of Form 5500
ABB INC.

**D** Employer Identification Number (EIN)
36-3100018

**Part I** **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

**a** Name of MTIA, CCT, PSA, or 103-12 IE: ABB INC. MASTER TRUST

**b** Name of sponsor of entity listed in (a): ABB INC.

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| 36-3100018-050 | M | 28417330 |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|
| | | |

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

**a** Name of MTIA, CCT, PSA, or 103-12 IE:

**b** Name of sponsor of entity listed in (a):

| **c** EIN-PN | **d** Entity code | **e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) |
|---|---|---|

## Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

**a** Plan name

| **b** Name of plan sponsor | **c** EIN-PN |
|---|---|

# SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
ABB INC. PENSION PLAN (UE 625 AND 626)

**B** Three-digit plan number (PN) ▶ 106

**C** Plan sponsor's name as shown on line 2a of Form 5500
ABB INC.

**D** Employer Identification Number (EIN)
36-3100018

## Part I Asset and Liability Statement

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|
| **a** Total noninterest-bearing cash | 1a | | |
| **b** Receivables (less allowance for doubtful accounts): | | | |
| **(1)** Employer contributions | 1b(1) | 0 | 4625000 |
| **(2)** Participant contributions | 1b(2) | | |
| **(3)** Other | 1b(3) | | |
| **c** General investments: | | | |
| **(1)** Interest-bearing cash (include money market accounts & certificates of deposit) | 1c(1) | | |
| **(2)** U.S. Government securities | 1c(2) | | |
| **(3)** Corporate debt instruments (other than employer securities): | | | |
| **(A)** Preferred | 1c(3)(A) | | |
| **(B)** All other | 1c(3)(B) | | |
| **(4)** Corporate stocks (other than employer securities): | | | |
| **(A)** Preferred | 1c(4)(A) | | |
| **(B)** Common | 1c(4)(B) | | |
| **(5)** Partnership/joint venture interests | 1c(5) | | |
| **(6)** Real estate (other than employer real property) | 1c(6) | | |
| **(7)** Loans (other than to participants) | 1c(7) | | |
| **(8)** Participant loans | 1c(8) | | |
| **(9)** Value of interest in common/collective trusts | 1c(9) | | |
| **(10)** Value of interest in pooled separate accounts | 1c(10) | | |
| **(11)** Value of interest in master trust investment accounts | 1c(11) | 26627183 | 28417330 |
| **(12)** Value of interest in 103-12 investment entities | 1c(12) | | |
| **(13)** Value of interest in registered investment companies (e.g., mutual funds) | 1c(13) | | |
| **(14)** Value of funds held in insurance company general account (unallocated contracts) | 1c(14) | | |
| **(15)** Other | 1c(15) | | |

| | | | (a) Beginning of Year | (b) End of Year |
|---|---|---|---|---|
| **1d** | Employer-related investments: | | | |
| | **(1)** Employer securities | 1d(1) | | |
| | **(2)** Employer real property | 1d(2) | | |
| **e** | Buildings and other property used in plan operation | 1e | | |
| **f** | Total assets (add all amounts in lines 1a through 1e) | 1f | 26627183 | 33042330 |
| | **Liabilities** | | | |
| **g** | Benefit claims payable | 1g | | |
| **h** | Operating payables | 1h | 33084 | 25654 |
| **i** | Acquisition indebtedness | 1i | | |
| **j** | Other liabilities | 1j | | |
| **k** | Total liabilities (add all amounts in lines 1g through1j) | 1k | 33084 | 25654 |
| | **Net Assets** | | | |
| **l** | Net assets (subtract line 1k from line 1f) | 1l | 26594099 | 33016676 |

## Part II Income and Expense Statement

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

| | Income | | (a) Amount | (b) Total |
|---|---|---|---|---|
| **a** | **Contributions:** | | | |
| | **(1)** Received or receivable in cash from: **(A)** Employers | 2a(1)(A) | 4625000 | |
| | **(B)** Participants | 2a(1)(B) | | |
| | **(C)** Others (including rollovers) | 2a(1)(C) | | |
| | **(2)** Noncash contributions | 2a(2) | | |
| | **(3)** Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)** | 2a(3) | | 4625000 |
| **b** | **Earnings on investments:** | | | |
| | **(1)** Interest: | | | |
| | **(A)** Interest-bearing cash (including money market accounts and certificates of deposit) | 2b(1)(A) | | |
| | **(B)** U.S. Government securities | 2b(1)(B) | | |
| | **(C)** Corporate debt instruments | 2b(1)(C) | | |
| | **(D)** Loans (other than to participants) | 2b(1)(D) | | |
| | **(E)** Participant loans | 2b(1)(E) | | |
| | **(F)** Other | 2b(1)(F) | | |
| | **(G)** Total interest. Add lines **2b(1)(A)** through **(F)** | 2b(1)(G) | | 0 |
| | **(2)** Dividends: **(A)** Preferred stock | 2b(2)(A) | | |
| | **(B)** Common stock | 2b(2)(B) | | |
| | **(C)** Registered investment company shares (e.g. mutual funds) | 2b(2)(C) | | |
| | **(D)** Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)** | 2b(2)(D) | | 0 |
| | **(3)** Rents | 2b(3) | | |
| | **(4)** Net gain (loss) on sale of assets: **(A)** Aggregate proceeds | 2b(4)(A) | | |
| | **(B)** Aggregate carrying amount (see instructions) | 2b(4)(B) | | |
| | **(C)** Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result | 2b(4)(C) | | 0 |
| | **(5)** Unrealized appreciation (depreciation) of assets: **(A)** Real estate | 2b(5)(A) | | |
| | **(B)** Other | 2b(5)(B) | | |
| | **(C)** Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)** | 2b(5)(C) | | 0 |

| | | (a) Amount | (b) Total |
|---|---|---|---|
| (6) Net investment gain (loss) from common/collective trusts | 2b(6) | | |
| (7) Net investment gain (loss) from pooled separate accounts | 2b(7) | | |
| (8) Net investment gain (loss) from master trust investment accounts | 2b(8) | | 3230854 |
| (9) Net investment gain (loss) from 103-12 investment entities | 2b(9) | | |
| (10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) | 2b(10) | | |
| c Other income | 2c | | |
| d Total income. Add all **income** amounts in column (b) and enter total | 2d | | 7855854 |
| **Expenses** | | | |
| e Benefit payment and payments to provide benefits: | | | |
| (1) Directly to participants or beneficiaries, including direct rollovers | 2e(1) | 1175152 | |
| (2) To insurance carriers for the provision of benefits | 2e(2) | | |
| (3) Other | 2e(3) | | |
| (4) Total benefit payments. Add lines **2e(1)** through **(3)** | 2e(4) | | 1175152 |
| f Corrective distributions (see instructions) | 2f | | |
| g Certain deemed distributions of participant loans (see instructions) | 2g | | |
| h Interest expense | 2h | | |
| i Administrative expenses: **(1)** Professional fees | 2i(1) | 33769 | |
| (2) Contract administrator fees | 2i(2) | 28844 | |
| (3) Investment advisory and management fees | 2i(3) | 87541 | |
| (4) Other | 2i(4) | 107971 | |
| (5) Total administrative expenses. Add lines **2i(1)** through **(4)** | 2i(5) | | 258125 |
| j Total expenses. Add all **expense** amounts in column (b) and enter total | 2j | | 1433277 |
| **Net Income and Reconciliation** | | | |
| k Net income (loss). Subtract line **2j** from line **2d** | 2k | | 6422577 |
| l Transfers of assets: | | | |
| (1) To this plan | 2l(1) | | |
| (2) From this plan | 2l(2) | | |

## Part III Accountant's Opinion

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

**(1)** [ ] Unqualified **(2)** [ ] Qualified **(3)** [X] Disclaimer **(4)** [ ] Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [X] Yes [ ] No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

**(1)** Name: GRANT THORNTON LLP **(2)** EIN: 36-6055558

**d** The opinion of an independent qualified public accountant is **not attached** because:

**(1)** [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

## Part IV Compliance Questions

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

| | | Yes | No | Amount |
|---|---|---|---|---|
| **a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.) | 4a | | X | |
| **b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.) | 4b | | X | |

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| c | Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) | 4c | | X | |
| d | Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) | 4d | | X | |
| e | Was this plan covered by a fidelity bond? | 4e | X | | 40000000 |
| f | Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? | 4f | | X | |
| g | Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4g | | X | |
| h | Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? | 4h | | X | |
| i | Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) | 4i | X | | |
| j | Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) | 4j | | X | |
| k | Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? | 4k | | X | |
| l | Has the plan failed to provide any benefit when due under the plan? | 4l | | X | |
| m | If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) | 4m | | | |
| n | If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. | 4n | | | |

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

| **5b(1)** Name of plan(s) | **5b(2)** EIN(s) | **5b(3)** PN(s) |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4066551. (See instructions.)

# SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Retirement Plan Information

This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection.**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

**A** Name of plan
ABB INC. PENSION PLAN (UE 625 AND 626)

**B** Three-digit plan number (PN) ▶ 106

**C** Plan sponsor's name as shown on line 2a of Form 5500
ABB INC.

**D** Employer Identification Number (EIN)
36-3100018

## Part I Distributions

**All references to distributions relate only to payments of benefits during the plan year.**

**1** Total value of distributions paid in property other than in cash or the forms of property specified in the instructions ..... **1** 0

**2** Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 04-3192613

**Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.**

**3** Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year ..... **3** 0

## Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

**4** Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

**If the plan is a defined benefit plan, go to line 8.**

**5** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

**If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.**

**6** **a** Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) ..... **6a**

**b** Enter the amount contributed by the employer to the plan for this plan year ..... **6b**

**c** Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) ..... **6c**

**If you completed line 6c, skip lines 8 and 9.**

**7** Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

**8** If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

## Part III Amendments

**9** If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☒ **No**

## Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

**10** Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

**11** **a** Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

**b** If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

**12** Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

## Part V Additional Information for Multiemployer Defined Benefit Pension Plans

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

**a** Name of contributing employer

**b** EIN **c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

**e** Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

**14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

| | | |
|---|---|---|
| **a** The current year | **14a** | |
| **b** The plan year immediately preceding the current plan year | **14b** | |
| **c** The second preceding plan year | **14c** | |

**15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

| | | |
|---|---|---|
| **a** The corresponding number for the plan year immediately preceding the current plan year | **15a** | |
| **b** The corresponding number for the second preceding plan year | **15b** | |

**16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

| | | |
|---|---|---|
| **a** Enter the number of employers who withdrew during the preceding plan year | **16a** | |
| **b** If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers | **16b** | |

**17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

## Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

**18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

**19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

**b** Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Financial Statements and Report of Independent Certified Public Accountants

# ABB Inc. Pension Plan (UE 625 and 626)

December 31, 2017 and 2016

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# REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Plan Administrator of
ABB Inc. Pension Plan (UE 625 and 626):

## Report on the financial statements

We were engaged to audit the accompanying financial statements of **ABB Inc. Pension Plan (UE 625 and 626)** (the "Plan"), which comprise the statements of net assets available for benefits and statements of accumulated plan benefits as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits and statements of changes in accumulated plan benefits for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph; however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for disclaimer of opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified information described in Note 5, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained certifications from this entity as of and for the years ended December 31, 2017 and 2016, stating that the certified information provided to the Plan administrator is complete and accurate.

Disclaimer of opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

**Report on form and content in compliance with DOL rules and regulations**

The form and content of the information included in the financial statements, other than that derived from the certified information described in Note 5, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Grant Thornton LLP

Raleigh, North Carolina
October 3, 2018

# Statements of net assets available for benefits

| December 31 | 2017 | 2016 |
|---|---|---|
| | $ | $ |
| **Assets** | | |
| Interest in the ABB Inc. Master Trust, at fair value | 28,417,330 | 26,627,183 |
| Employer contribution receivable | 4,625,000 | - |
| Total assets | 33,042,330 | 26,627,183 |
| **Liabilities** | | |
| Accrued expenses | 25,654 | 33,084 |
| Total liabilities | 25,654 | 33,084 |
| Net assets available for benefits | 33,016,676 | 26,594,099 |

The accompanying notes are an integral part of these financial statements.

# Statements of changes in net assets available for benefits

| For the years ended December 31 | 2017 | 2016 |
|---|---|---|
| | $ | $ |
| **Additions to (deductions from) net assets attributed to:** | | |
| Plan interest in net investment gain of the ABB Inc. Master Trust | 3,230,854 | 1,929,363 |
| Benefits paid to participants | (1,175,152) | (1,102,557) |
| Employer contributions | 4,625,000 | - |
| Administrative and other expenses | (258,125) | (198,611) |
| **Net increase** | 6,422,577 | 628,195 |
| **Net assets available for benefits:** | | |
| Beginning of year | 26,594,099 | 25,965,904 |
| End of year | 33,016,676 | 26,594,099 |

The accompanying notes are an integral part of these financial statements.

# Statements of accumulated plan benefits

| December 31 | 2017 | 2016 |
|---|---|---|
| | $ | $ |
| **Actuarial present value of accumulated plan benefits:** | | |
| Vested benefits: | | |
| Participants currently receiving payments | 15,390,447 | 13,810,419 |
| Other participants | 21,178,833 | 19,030,022 |
| Total vested benefits | 36,569,280 | 32,840,441 |
| Total actuarial present value of accumulated plan benefits | 36,569,280 | 32,840,441 |

The accompanying notes are an integral part of these financial statements.

# Statements of changes in accumulated plan benefits

| For the year ended December 31 | 2017 | 2016 |
|---|---|---|
| | $ | $ |
| **Actuarial present value of accumulated plan benefits, beginning of year** | 32,840,441 | 30,512,688 |
| Increase (decrease) during the year attributable to: | | |
| Benefits accumulated and plan experience | 977,637 | 1,269,531 |
| Changes in actuarial assumptions | 2,600,993 | 755,491 |
| Increase for interest due to decrease in discount period | 1,325,361 | 1,320,290 |
| Benefits paid | (1,175,152) | (1,102,557) |
| Benefits paid by Cash Balance Pension Plan for Certain Represented Employees of ABB Inc. | - | 84,998 |
| Net increase | 3,728,839 | 2,327,753 |
| **Actuarial present value of accumulated plan benefits, end of year** | 36,569,280 | 32,840,441 |

The accompanying notes are an integral part of these financial statements.

# Notes to financial statements

## 1 Description of Plan

### General

The following brief description of the ABB Inc. Pension Plan (UE 625 and 626) (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information. The Plan was closed to new participants as of January 1, 2006 and participants became fully vested as of that date.

The Plan is a noncontributory defined benefit pension plan covering certain employees of ABB Inc. (the Company or Employer) who are members of a collective bargaining unit represented by Locals 625 and 626 of the Union Employees (UE) (Covered Employees). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### Pension Benefits

Covered Employees having completed five or more years of vesting service as defined in the Plan are entitled to annual pension benefits beginning at the normal retirement age (65) in an amount equal to the sum of all annual accruals of retirement income determined under the Plan for each year of participation. A participant who attains age 70½ will commence his or her benefit no later than the April 1 of the calendar year, following calendar year in which he retires or he turns 70½, whichever is later.

## 2 Summary of Significant Accounting Policies

### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with United States generally accepted accounting principles.

#### Recent Accounting Pronouncements

In February 2017, the Financial Accounting Standards Board issued Accounting Standards Update 2017-06, "*Plan Accounting: Employee Benefit Plan Master Trust Reporting*." The amendments in the ASU clarify presentation requirements for a plan's interest in a master trust and require more detailed disclosures of the plan's interest in the master trust. The amendments also eliminate a redundancy relating to 401(h) account disclosures. The amendments in ASU 2017-06 are effective for plans for fiscal years beginning after December 15, 2018. Management does not expect the new accounting pronouncement to have a material impact on the financial statements.

#### Payment of Benefits

Benefit payments to participants are recorded upon distribution.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### Funding Policy

The Company shall make contributions to the Plan as shall be necessary under accepted actuarial principles to meet the requirements of ERISA.

Employer contributions are based on an actuarial determination which provides for funding (a) the annual normal cost for the current year, and (b) an amount necessary to amortize the unfunded accrued liability.

It is the Company's intention to only make contributions that are tax-deductible. For each of the years ended December 31, 2017 and 2016, the Plan has satisfied the minimum funding requirements of ERISA.

### Valuation of Investments and Income Recognition

The assets of the Plan are held in the ABB Inc. Master Trust (Master Trust) along with the assets of certain other plans of the Company. BNY Mellon (the Trustee) is the trustee of the Master Trust.

Income, including realized and unrealized gains/losses, of the Master Trust is allocated monthly among participating plans based on the relationship of the fair value of the assets of each plan to the total fair value of the assets of the Master Trust as of the end of the preceding month. Employer contributions and benefit payments are applied on a specific basis to each plan.

Assets of the Master Trust are stated at fair value which, as used for financial statement purposes, represents market or current value as reported by the Master Trust's Trustee (See Note 6). The fair value of the Plan's interest in the Master Trust is based on the beginning of the year value of the Plan's interest in the Master Trust plus actual contributions and allocated investment income or loss less actual distributions and allocated administrative expenses.

Investment transactions are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### Administrative Expenses

The Plan's expenses are paid either by the Plan or the Company, as provided by the plan document. Expenses that are paid directly by the Company are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statements of changes in net asset available for benefits. In addition, certain investment related expenses are included in net investment gain of the Master Trust presented in the accompanying statements of changes in net assets available for benefits.

### Securities Lending

As of and for the years ended December 31, 2017 and 2016, the Master Trust participated in the BNY Mellon's securities lending program for securities held in custody at the trustee. These securities are lent to certain unrelated third-party brokers in exchange for collateral, usually in the form of cash. Collateralization levels are equal to a percentage of the market value of the borrowed securities. For U.S. securities, collateral shall not be less than 102% of the fair value of the loaned securities, and for non-U.S. securities, collateral shall not be less than 105% of the fair value of the loaned securities unless it is denominated in the same currency as the collateral, in which case it will be 102% of the fair value. Collateral received is invested in a short-term collateral reinvestment fund consisting of high-quality, short-term investments managed by BNY Mellon. The value of loaned securities in the Master Trust amounted to approximately $19,886,000 and $12,378,000 at December 31, 2017 and 2016, respectively. The obligation for collateral due to borrower of $20,308,000 and $12,660,000 at December 31, 2017 and 2016, respectively, inclusive of the liability for collateral deposits of $442,000 and $282,000 is included net in the balance for each respective investment type with the majority of loaned securities being included in corporate bonds. The realized gain from securities lending activities of $21,000 and $24,000 for the years ended December 31, 2017 and 2016, respectively, is included as a component of the net appreciation (depreciation) in fair value of investments in Note 4.

## Derivatives

The Plan (through the Master Trust) may enter into foreign currency forward exchange contracts primarily to hedge against foreign currency exchange rate risks on its non-U.S dollar denominated investment securities. When entering into a forward currency contract, the Plan agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. The Plan's net equity therein, representing unrealized gain or loss on the contracts, as measured by the difference between the forward foreign exchanges rates at the dates of entry in the contracts and the forward rates at the reporting date is included in the Master Trust's net assets. Realized and unrealized gains and losses are included in the Master Trust's net investment gain (loss). These instruments involve market risk, credit risk or both kinds of risks in excess of the amount recognized in the statement of net assets. Risks arise from the possible inability of counterparties to meet the terms of their contracts and movement in currency and securities values and interest rates.

At December 31, 2017 and 2016, the Master Trust had the following foreign currency forward exchange contracts:

**FAIR VALUE OF OUTSTANDING FORWARD CONTRACTS**

As of December 31, 2017

| Counterparty Allocation of Unrealized Profit / (Loss) | | Maturity Date | Total | CHF | EUR | GBP | JPY | HKD |
|---|---|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ | $ | $ |
| Australia and New Zealand Banking Group | ANZ | 20-Feb-18 | (USD 41,773) | USD 0 | USD 0 | USD 0 | (USD 41,773) | USD 0 |
| Citibank NA | CTL | 20-Feb-18 | (USD 232,745) | USD 0 | USD 0 | (USD 232,745) | USD 0 | USD 0 |
| Goldman Sachs International | GSL | 20-Feb-18 | (USD 20,939) | USD 0 | USD 6,945 | (USD 4,661) | (USD 23,223) | USD 0 |
| HSBC Bank plc | MDL | 20-Feb-18 | (USD 34,570) | USD 5,035 | USD 0 | USD 0 | (USD 41,231) | USD 1,626 |
| JP Morgan Chase | CML | 20-Feb-18 | (USD 129,510) | (USD 79,539) | (USD 49,971) | USD 0 | USD 0 | USD 0 |
| Royal Bank of Canada | RBL | 20-Feb-18 | USD 16,943 | USD 5,132 | USD 11,811 | USD 0 | USD 0 | USD 0 |
| Westpac Banking Corporation | WPL | 20-Feb-18 | (USD 385,397) | USD 0 | (USD 384,389) | USD 0 | (USD 1,008) | USD 0 |
| **Total fair value of forward contracts as of December 31, 2017** | | | (USD 827,991) | (USD 69,372) | (USD 415,604) | (USD 237,406) | (USD 107,235) | USD 1,626 |

**FAIR VALUE OF OUTSTANDING FORWARD CONTRACTS**

As of December 31, 2016

| Counterparty Allocation of Unrealized Profit / (Loss) | | Maturity Date | Total | CHF | EUR | GBP | JPY | HKD |
|---|---|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ | $ | $ |
| Citibank NA | CTL | 15-Feb-17 | USD 134,438 | (USD 3,267) | (USD 41,737) | USD 33,290 | USD 146,152 | USD 0 |
| Goldman Sachs International | GSL | 15-Feb-17 | USD 423,311 | USD 100,484 | USD 0 | USD 0 | USD 322,827 | USD 0 |
| HSBC Bank plc | MDL | 15-Feb-17 | USD 1,526,163 | USD 5,227 | USD 0 | (USD 5,777) | USD 1,526,713 | USD 0 |
| JP Morgan Chase | CML | 15-Feb-17 | USD 302,912 | USD 0 | USD 130,269 | (USD 14,009) | USD 186,652 | USD 0 |
| Royal Bank of Canada | RBL | 15-Feb-17 | (USD 1,934) | USD 0 | USD 0 | USD 0 | (USD 2,010) | USD 76 |
| Westpac Banking Corporation | WPL | 15-Feb-17 | USD 756,011 | USD 0 | USD 756,011 | USD 0 | USD 0 | USD 0 |
| **Total fair value of forward contracts as of December 31, 2016** | | | USD 3,140,901 | USD 102,444 | USD 844,543 | USD 13,504 | USD 2,180,334 | USD 76 |

The fair value of the foreign currency forward exchange contracts, none of which are accounted for as hedge instruments under FASB ASC 815, "*Derivatives and Hedging,*" are included in the Master Trust's net assets under state and foreign bonds. The realized gain/(loss) from foreign currency forward exchange contracts of $285,336 and ($662,196) for the years ended December 30, 2017 and 2016, respectively, are included as a component of the net appreciation (depreciation) in fair value of investments in Note 4.

The Master Trust may be required to post collateral on derivatives if the Master Trust is in a net liability position with the counterparty exceeding certain amounts. Additionally, counterparties may immediately terminate derivatives contracts if the Master Trust fails to maintain sufficient asset coverage for its contracts or its net assets decline by stated percentages.

### Master Netting Agreements

The Master Trust is subject to master netting agreements, or netting arrangements, with certain counterparties. These agreements govern the terms of certain transactions and reduce the counterparty risk associated with relevant transactions by specifying offsetting mechanisms and collateral posting arrangements at pre-arranged exposure levels. Since different types of transactions have different mechanics and are sometimes traded out of different legal entities of a particular counterparty organization, each type of transaction may be covered by a different master netting arrangement, possibly resulting in the need for multiple agreements with a single counterparty. Master netting agreements are specific to each different asset type; therefore, they allow the Company to close out and net its total exposure to a specified counterparty in the event of a default with respect to any and all the transactions governed under a single agreement with the counterparty.

The following is a summary by counterparty of the Master Trust's net exposure to derivative assets and liabilities, by financial instrument type, available for offset and net of collateral under a netting agreement at December 31, 2017 and 2016.

As of December 31, 2017:

| Derivative Type | Fair Value of Derivative Assets | Fair Value of Derivative Liabilities | Net Exposure |
|---|---|---|---|
| **Foreign Currency Contracts:** | **$** | **$** | **$** |
| Australia & New Zealand Banking Group | - | (41,773) | (41,773) |
| Citibank NA | - | (232,745) | (232,745) |
| Goldman Sachs International | 6,945 | (27,884) | (20,939) |
| HSBC Bank plc | 6,661 | (41,231) | (34,570) |
| JP Morgan Chase | - | (129,510) | (129,510) |
| Royal Bank of Canada | 16,943 | - | 16,943 |
| Westpac Banking Corporation | - | (385,397) | (385,397) |
| **Total** | 30,549 | (858,540) | (827,991) |

As of December 31, 2016:

| Derivative Type | Fair Value of Derivative Assets | Fair Value of Derivative Liabilities | Net Exposure |
|---|---|---|---|
| **Foreign Currency Contracts:** | **$** | **$** | **$** |
| Citibank NA | 179,442 | (45,004) | 134,438 |
| Goldman Sachs International | 423,311 | - | 423,311 |
| HSBC Bank plc | 1,531,940 | (5,777) | 1,526,163 |
| JP Morgan Chase | 316,921 | (14,009) | 302,912 |
| Royal Bank of Canada | 76 | (2,010) | (1,934) |
| Westpac Banking Corporation | 756,011 | - | 756,011 |
| **Total** | 3,207,701 | (66,800) | 3,140,901 |

### Investment Risk

The Master Trust provides for investments that are exposed to risks such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is possible that changes in the value of investment securities may occur in the near term and those changes could materially affect the amounts reported in the statements of net assets available for benefits.

### Risks and Uncertainties

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

### Subsequent Events

Management evaluated subsequent events for the Plan through October 3, 2018, the date the financial statements were available to be issued, and has determined that there are no material subsequent events.

## 3 Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits as of December 31, 2017 and 2016, were determined by the Plan's actuary, Willis, Towers Watson & Company (formerly known as Towers Watson & Company), using employee data supplied by the Company as of January 1, 2017 and 2016, and projected to the respective valuation date, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements for events such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The actuarial cost method used to determine the actuarial present value of accumulated plan benefits is the unit credit method.

A summary of the significant actuarial assumptions underlying the actuarial valuations as of December 31, 2017 and 2016, are as follows:

**Mortality – 2017:** Based on the Retirement Plans – Collar specific RP2017 Mortality Table with Scale MP-2017 generational projection split between annuitants and non-annuitants and sex distinct.

**Mortality – 2016:** Based on the Retirement Plans – Collar specific RP2016 Mortality Table with Scale MP-2016 generational projection split between annuitants and non-annuitants and sex distinct.

**Interest:** The assumed interest rates utilized to calculate accumulated plan benefits at December 31, 2017 and 2016, were 3.55% and 4.10%, respectively. The change in interest rates is reflected in the "changes in actuarial assumptions" in the accompanying statements of changes in accumulated plan benefits.

**Retirement Age – 2017 and 2016:** Age 62 for terminated vested employees and the following chart of rates applies for active employees:

| Age | Percentage of Employees Expected to Retire Within One Year |
|---|---|
| 55 | 10 |
| 56–61 | 5 |
| 62 | 20 |
| 63–64 | 5 |
| 65–69 | 50 |
| 70 | 100 |

The $2,600,933 change in actuarial assumptions for the year ended December 31, 2017, was due to a decrease in the interest rate to 3.55% and a change in the mortality table. The $755,491 change in actuarial assumptions for the year ended December 31, 2016, was due to an decrease in the interest rate to 4.10% and a change in the mortality table.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

## 4 ABB Inc. Master Trust

The Plan's investments are held in the Master Trust which is a master trust established for the investment of the assets of the Plan and other Company sponsored retirement plans. Each participating plan has an undivided interest in the Master Trust.

The Master Trust assets are allocated among the participating plans by assigning to each plan those transactions (primarily contributions, benefit payments, and plan-specific expenses) that can be specifically identified and by allocating among all plans, in proportion to each plan's beneficial interest in the Master Trust, income and expenses resulting from the collective investment of the assets of the Master Trust.

At December 31, 2017 and 2016, the Plan had a 2.03% and 1.96% interest in the net assets of the Master Trust, respectively.

The following tables present the net assets for the Master Trust and the net investment income for the Master Trust:

| December 31 | 2017 | 2016 |
|---|---|---|
| | $ | $ |
| **Investments:** | | |
| Interest-bearing cash | 1,535,000 | 1,651,500 |
| U.S. government securities | 217,752,002 | 190,323,846 |
| Corporate bonds | 485,670,748 | 492,265,921 |
| Corporate stock - Preferred | 7,265,950 | 6,249,189 |
| Corporate stock - Common | 1,752,294 | 2,181,145 |
| Partnership / joint venture interests | 197,967,423 | 201,700,678 |
| State and foreign bonds | 11,814,273 | 12,751,045 |
| Collective trusts | 342,014,858 | 330,152,108 |
| 103-12 investment entities | 1,257,628 | 1,977,962 |
| Registered investment companies | 135,548,192 | 120,712,575 |
| Short investments | (74,504) | 57,408 |
| Net assets | 1,402,503,864 | 1,360,023,377 |

| For the years ended December 31 | 2017 | 2016 |
|---|---|---|
| | $ | $ |
| Net appreciation (depreciation) in fair value of investments | 131,758,558 | 69,220,348 |
| Interest | 20,257,805 | 19,601,268 |
| Dividends | 10,544,030 | 11,633,303 |
| Miscellaneous income | 20,805 | 369,533 |
| Net investment income | 162,581,198 | 100,824,452 |

## 5 Investments Certified by Trustee

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Company has obtained a certification from the Trustee as to the completeness and accuracy of the investments and investment activity (except for investments classified as alternative investments and related investment activity) recorded by the Master Trust as of and for the years ended December 31, 2017 and 2016. Additionally, the Company has obtained a certification from the Trustee related to the Plan's interest in the Master Trust and Master Trust investment activity as of and for the years ended December 31, 2017 and 2016. Investment information certified by the Trustee at the Master Trust and Plan levels has not been audited by independent auditors.

At the Master Trust level, the alternative investments and related investment activity as of December 31, 2017 and 2016 and for the years then ended are detailed below:

| December 31 | 2017 | 2016 |
|---|---|---|
| | $ | $ |
| Private equity investments | 19,831,802 | 37,431,179 |
| Distressed debt | 1,314,616 | 1,888,105 |
| Fund of funds | 5,965,638 | 8,395,032 |
| Total alternative investments | 27,112,056 | 47,714,316 |

The private equity investments, distressed debt and fund of funds are included as a component of the balances for partnership/joint venture interests and 103-12 investment entities detailed in Note 4.

At the Master Trust level, net realized and unrealized appreciation for these alternative investments is as follows:

| For the years ended December 31 | 2017 | 2016 |
|---|---|---|
| | $ | $ |
| Net appreciation in fair value of alternative investments | 6,709,215 | 4,111,637 |

At the Plan level, the Plan's 'Interest in the ABB Inc. Master Trust' as reflected in the accompanying statements of net assets available for benefits and the Plan's "Interest in net investment gain of the ABB Inc. Master Trust" in the accompanying statements of changes in net assets available for benefits has also been certified by the Trustee. While the Plan holds an undivided interest in the Master Trust, the certified amounts for the Plans have been adjusted to reflect the Master Trust alternative investments' fair values and investment gain of alternative investments noted above. These amounts represent 1.93% and 4.13% of the Plan's "Interest in the ABB Inc. Master Trust" and "Interest in net investment gain of the ABB Inc. Master Trust" at December 31, 2017 and for the year then ended and 3.51% and 4.08% of the Plan's "Interest in the ABB Inc. Master Trust" and "Interest in net investment gain of the ABB Inc. Master Trust" at December 31, 2016 and for the year then ended.

## 6 Fair Value Measurements

Investments held by the Master Trust are stated at fair value. ASC 820 "*Fair Value Measurements and Disclosures,*" (ASC 820) requires enhanced disclosures about investments that are measured and reported at fair value. ASC 820 clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of fair value measurements.

The hierarchy established under ASC 820 gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). As required by ASC 820, the Master Trust investments are classified within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy under ASC 820, and its applicability to the Master Trust's investments, are described below:

**Level 1** Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

**Level 2** Quoted prices for similar assets or liabilities, or inputs that are observable, either directly or indirectly, for substantially the full term through corroboration with observable market data. Level 2 includes investments valued at quoted prices adjusted for legal and contractual restrictions specific to the security.

**Level 3** Pricing inputs are unobservable for the asset or liability, that is, inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Level 3 includes private investments that are supported by little or no market activity.

The determination of where an asset falls in the hierarchy requires significant judgment. The Plan evaluates its hierarchy disclosures each year and changes in economic conditions or valuation techniques may require the transfer of financial instruments from one fair value level to another. However, the Plan expects changes in classifications between levels will be rare. In such instances, the transfer is reported at the beginning of the reporting period.

The methods used to measure the fair value calculation may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016:

- Corporate bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable section of issuers with similar credit ratings.
- State and Foreign bonds valued at Level 1 are valued at the closing price reported on the active markets on which the individual securities are traded and securities valued at Level 2 are valued using pricing models maximizing the use of observable inputs for similar securities.
- U.S. government securities valued at level 1 are valued at the closing price reported on the active markets on which the individual securities are traded and securities valued at level 2 are valued using pricing models maximizing the use of observable inputs for similar securities.
- Corporate stocks valued at Level 1 are valued at the closing price reported on the active markets on which the individual securities are traded and securities valued at Level 2 are valued using closing price reported on the inactive market.
- Registered investment companies are valued at the net asset value, based on quoted market prices in active markets, of shares held by the Plan at year-end.
- Collective trusts are valued at net asset value. Partnership/joint venture interests, and 103-12 investment entities are valued at net asset value as reported by the respective fund managers based upon the fair value of the underlying investments less liabilities.
- Short investments primarily consists of interest rate swaps which are valued using the income approach which takes into account contract terms as well as multiple inputs which may be observed in the marketplace.

The following table sets forth by level, within the fair value hierarchy, the Master Trust's financial instruments at fair value as of December 31, 2017:

| | Instruments at Fair Value | | | |
|---|---|---|---|---|
| | (Level 1) | (Level 2) | (Level 3) | Total |
| | $ | $ | $ | $ |
| **Investments in the fair value hierarchy:** | | | | |
| Interest-bearing cash | - | 1,535,000 | - | 1,535,000 |
| U.S. government securities | 186,690,555 | 31,061,447 | - | 217,752,002 |
| Corporate bonds | - | 485,670,748 | - | 485,670,748 |
| Corporate stock - Preferred | - | 7,265,950 | - | 7,265,950 |
| Corporate stock - Common | 1,752,294 | - | - | 1,752,294 |
| State and foreign bonds | 1,320,210 | 10,494,063 | - | 11,814,273 |
| Registered investment companies | 135,548,192 | - | - | 135,548,192 |
| Short investments | - | (74,504) | - | (74,504) |
| Total investments | 325,311,251 | 535,952,704 | - | 861,263,955 |
| **Investments measured at NAV:** | | | | |
| Partnership / joint venture interests | - | - | - | 197,967,423 |
| Collective trusts | - | - | - | 342,014,858 |
| 103-12 investment entities | - | - | - | 1,257,628 |
| Total investments measured at NAV | - | - | - | 541,239,909 |
| Total investments | - | - | - | 1,402,503,864 |

The following table sets forth by level, within the fair value hierarchy, the Master Trust's financial instruments at fair value as of December 31, 2016:

| | Instruments at Fair Value | | | |
|---|---|---|---|---|
| | (Level 1) | (Level 2) | (Level 3) | Total |
| | $ | $ | $ | $ |
| **Investments in the fair value hierarchy:** | | | | |
| Interest-bearing cash | - | 1,651,500 | - | 1,651,500 |
| U.S. government securities | 168,618,790 | 21,705,056 | - | 190,323,846 |
| Corporate bonds | - | 492,265,921 | - | 492,265,921 |
| Corporate stock - Preferred | 1,802,236 | 4,446,953 | - | 6,249,189 |
| Corporate stock - Common | 2,181,145 | - | - | 2,181,145 |
| State and foreign bonds | 106,618 | 12,644,427 | - | 12,751,045 |
| Registered investment companies | 120,712,575 | - | - | 120,712,575 |
| Short investments | - | 57,408 | - | 57,408 |
| Total investments | 293,421,364 | 532,771,265 | - | 826,192,629 |
| **Investments measured at NAV:** | | | | |
| Partnership / joint venture interests | - | - | - | 201,700,678 |
| Collective trusts | - | - | - | 330,152,108 |
| 103-12 investment entities | - | - | - | 1,977,962 |
| Total investments measured at NAV | - | - | - | 533,830,748 |
| Total investments | - | - | - | 1,360,023,377 |

In accordance with ASC 820, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in Note 4.

There were no significant transfers among investment levels during the years ended December 31, 2017 and 2016.

The following table summarizes investments measured at fair value based on the NAV per share practical expedient as of December 31, 2017:

| | Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Partnership / joint venture interests (a) | 197,967,423 | - | Monthly | 30-60 Days |
| Collective trusts (b) | 342,014,858 | - | Monthly | 30-60 Days |
| 103-12 investment entities (c) | 1,257,628 | - | N/A | N/A |
| Total | 541,239,909 | - | | |

The following table summarizes investments measured at fair value based on the NAV per share practical expedient as of December 31, 2016:

| | Fair Value (in thousands) | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Partnership / joint venture interests (a) | 201,700,678 | - | Monthly | 30 - 60 days |
| Collective trusts (b) | 330,152,108 | - | Monthly | 30 - 60 days |
| 103-12 investment entities (c) | 1,977,962 | - | N/A | N/A |
| Total | 533,830,748 | - | | |

a) The partnership/joint venture interests' investments are invested within alternative investments such as private equity and fund of funds. The investment objective of these investments is to achieve longer term growth of capital, which does so with limited liquidity. Within the limited partnerships, there is also a limited partnership that has an investment objective of seeking to outperform the S&P 500. This fund does require monthly notice to provide liquidity.

b) The collective trust investments include an international equity fund and emerging market fixed income bond fund. The investment objective of the international equity fund is to seek capital appreciation through investments in a portfolio of securities issued by companies predominantly in companies contained in the MSCI EAFE Index. The investment objective of the emerging market fixed income fund is to seek long-term total return through investment in a diversified portfolio of emerging markets debt securities and currency instruments.

c) The 103-12 investment entities are invested in alternative investments with specific requirements under ERISA. The investment objective of these investments is to achieve longer term growth of capital, which does so with limited liquidity.

## 7 Plan Termination

The Company expects to continue the Plan, but reserves the right to terminate the Plan or discontinue contributions subject to the provisions of ERISA.

In the event the Plan is terminated, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations, generally to provide the following benefits in the following order to the extent of the sufficiency of such assets, or portions thereof:

First, to that portion of a participant's accrued benefit which is derived from mandatory contributions to the Plan.

Second, equally among benefits of participants in the following two subcategories;

- In the case of benefits in any pay status three years prior to termination (at the lowest pay level in that period and at the lowest benefit level under the Plan during the five years prior to termination); and
- In the case of benefits which would have been in pay status three years prior to termination had the participants been retired (and their benefits commenced then), at the lowest benefit level under the Plan during the five years prior to termination.

Third, among all other benefits (if any) of participants under the Plan; guaranteed under the termination insurance provisions of ERISA;

Fourth, among all other nonforfeitable (i.e., uninsured and vested) benefits under the Plan; and

Fifth, among all other benefits under the Plan.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2017 and 2016, that ceiling, which is adjusted annually, was $5,420 and $5,369 per month, respectively. Whether a particular participant's accumulated plan benefit will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the existing assets and the PBGC guaranty.

## 8 Income Tax Status

The IRS has determined and informed the Company by a letter dated July 7, 2014, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is designed, and is currently being operated, in compliance with the applicable requirements of the IRC and, therefore, believe that the Plan is qualified, and the related trust is tax-exempt.

Accounting principles general accepted in the United States of America require plan management to evaluate tax positions taken by the plan and recognize a tax liability if the plan has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Internal Revenue Service. As of December 31, 2017 and 2016, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

## 9 Party-in-interest Transactions

Certain of the Plan's assets are invested in funds managed by the trustee of the Plan. These transactions qualify as party-in-interest transactions; however, they are exempt from the prohibited transactions rules under ERISA.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 26
## Schedule of Active Participant Data as of January 1, 2017

| Attained Age | Years of Credited Service | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Under 1 | | 1 to 4 | | 5 to 9 | | 10 to 14 | | 15 to 19 | | 20 to 24 | | 25 to 29 | | 30 to 34 | | 35 to 39 | | 40 & Over | |
| | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. | No. | Avg. Comp. |
| Under 25 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 25 - 29 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 30 - 34 | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 35 - 39 | 0 | | 0 | | 0 | | 0 | | 3 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 40 - 44 | 0 | | 0 | | 0 | | 0 | | 8 | | 0 | | 0 | | 0 | | 0 | | 0 | |
| 45 - 49 | 0 | | 0 | | 0 | | 0 | | 8 | | 0 | | 8 | | 0 | | 0 | | 0 | |
| 50 - 54 | 0 | | 0 | | 0 | | 0 | | 11 | | 1 | | 8 | | 0 | | 0 | | 0 | |
| 55 - 59 | 0 | | 0 | | 0 | | 1 | | 7 | | 2 | | 6 | | 0 | | 0 | | 0 | |
| 60 - 64 | 0 | | 0 | | 0 | | 0 | | 4 | | 1 | | 3 | | 0 | | 0 | | 0 | |
| 65 - 69 | 0 | | 0 | | 0 | | 0 | | 1 | | 1 | | 0 | | 0 | | 0 | | 0 | |
| 70 & Over | 0 | | 0 | | 0 | | 0 | | 0 | | 0 | | 1 | | 0 | | 0 | | 0 | |

Plan Name: ABB Inc. Pension Plan (UE 625 and 626)
EIN / PN: 36-3100018 / 106
Plan Sponsor: ABB Inc.
Valuation Date January 1, 2017

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V
## Statement of Actuarial Assumptions/Methods

### Economic Assumptions

**Interest rate basis**

| | |
|---|---|
| ■ Applicable month | September |
| ■ Interest rate basis | 3-Segment Rates |

| **Interest rates** | **Reflecting Corridors** | **Not Reflecting Corridors** |
|---|---|---|
| ■ First segment rate | 4.16% | 1.52% |
| ■ Second segment rate | 5.72% | 3.80% |
| ■ Third segment rate | 6.48% | 4.79% |
| ■ Effective interest rate | 6.00% | 4.24% |

**Annual rates of increase**

| | |
|---|---|
| ■ Inflation (CPI) | 2.25% |
| ■ Compensation | 3.75% |
| ■ Future Social Security wage bases | N/A |
| ■ Statutory limits on compensation and benefits | N/A |

| | |
|---|---|
| **Plan-related expenses** | $140,000 |

# SCHEDULE SB ATTACHMENTS

## Demographic Assumptions

**Inclusion date**

The valuation date coincident with or next following the date on which the employee becomes a participant.

**New or rehired employees**

It was assumed there will be no new or rehired employees.

**Mortality**

- Healthy

Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2032 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2024 using Scale AA.

- Disabled

Alternative disabled life mortality tables as defined under Revenue Ruling 96-7.

**Termination**

Representative Termination rates not due to Disability, Retirement, and Mortality

| Percentage leaving during the year | |
|---|---|
| **Attained Age** | **Rate** |
| 20 | 4.30% |
| 30 | 2.70% |
| 40 | 1.70% |
| 50 | 1.10% |
| 60 | 0.60% |

**Disability**

One-half of the disability rates in the twelfth valuation of the Railroad Retirement Board (set forward 1 year for males and set back 4 years for females).

**Retirement**

Age 62 for terminated vested participants. For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age is shown below.

| Percentage retiring during the year | |
|---|---|
| **Age** | **Rate** |
| 55 | 10.00% |
| 56 - 61 | 5.00% |
| 62 | 20.00% |
| 63 - 64 | 5.00% |
| 65 - 69 | 50.00% |
| 70 | 100.00% |

# SCHEDULE SB ATTACHMENTS

| | |
|---|---|
| **Benefit commencement date** | |
| ■ Preretirement death benefit | The later of the date of death of the active participant or the date the participant would have attained age 55. |
| ■ Deferred vested benefit | Age 62. |
| ■ Disability benefit | Upon disablement. |
| ■ Retirement benefit | Upon termination of employment. |
| **Form of payment** | Participants not yet in payment status are assumed to elect a single life annuity form of payment upon benefit commencement. |
| **Percent married** | For purposes of valuing the preretirement surviving spouse's benefit, 70% of eligible participants are assumed to be married. |
| **Spouse age** | Wife three years younger than husband. |
| **Covered pay** | Compensation assumed paid in the plan year beginning on the valuation date is the actual pensionable pay earned during the prior plan year, adjusted by one full year of salary scale or the base pay rate adjusted by one-half year of salary scale, if greater. |
| **Timing of benefit payments** | Annuity payments are payable at the beginning of the month. |

# SCHEDULE SB ATTACHMENTS

## Methods

| | |
|---|---|
| **Valuation date** | First day of plan year. |
| **Funding target** | Present value of accrued benefits as required by regulations under IRC §430. |
| **Target normal cost** | Present value of benefits expected to accrue during the plan year plus plan-related expenses expected to be paid from plan assets during the plan year as required by regulations under IRC §430. |
| **Actuarial value of assets** | Average of the fair market value of assets on the valuation date and 12 and 24 months preceding the valuation date, adjusted for contributions, benefits, plan-related expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the prior plan year).<br><br>The method of computing the actuarial value of assets complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term under PPA's smoothing rules, the method has a significant bias to produce an actuarial value of assets that is below the market value of assets.<br><br>For purposes of calculating the actuarial value of assets, expected earnings assumptions of 6.20% for 2016 and 6.50% for 2015 were used. |
| **Participant data** | Participant data was supplied electronically as of the valuation date by Aon Hewitt on behalf of ABB Inc. |
| **Benefits not valued** | All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with ABB Inc. and, based on that review, is not aware of any significant benefits required to be valued that were not. |

# SCHEDULE SB ATTACHMENTS

## Assumptions Rationale – Significant Economic Assumptions

| | |
|---|---|
| **Interest rate** | The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time. |
| **Inflation (CPI)** | This assumption was chosen based on duration weighted swap data provided by Bloomberg as of December 31, 2016. |
| **Rates of increase in compensation** | This assumption was selected based on future expectations of the following components: CPI increase of 2.25%, plus real wage increases of 1.00%, plus promotion and merit increases of 0.50%, for a total of 3.75%. |
| **Plan-related expenses** | Plan related expenses are estimated by considering the plan's actual administrative expenses paid from the trust during the prior year. |
| **Assumed return for asset smoothing** | The assumed return of 6.20% used for asset smoothing is the expected return on assets assumption chosen by the plan sponsor for the prior plan year and we concur with this assumption. |

## Assumptions Rationale – Significant Demographic Assumptions

| | |
|---|---|
| **Healthy mortality** | Assumptions used for funding purposes are as prescribed by IRC §430(h). |
| **Disabled mortality** | Assumptions used for funding purposes are as prescribed by IRC §430(h). |
| **Termination** | Termination rates were selected based on a published table for pension participants believed to have similar characteristics to the plan population. |
| **Disability** | Disability rates were selected based on a published table for pension participants believed to have similar characteristics to the plan population. |
| **Retirement** | Retirement rates were based on plan sponsor expectations for the future with periodic monitoring of observed gains and losses caused by retirement patterns different than assumed. |
| **Percent married** | The assumed percentage married was selected based on general population statistics on the marital rates of individuals of retirement age. |

# SCHEDULE SB ATTACHMENTS

## Source of Prescribed Methods

**Funding methods**

The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are "prescribed methods set by law", as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

## Changes in Assumptions and Methods

**Change in assumptions and methods since prior valuation**

In addition to the prescribed change in the mortality table, the following changes in assumptions and methods were made as part of this valuation:

- The plan's effective interest rate decreased 20 basis points compared to the prior year (6.00% versus 6.20%).
- The assumed plan-related expenses added to the target normal cost were changed from $90,000 for 2016 to $140,000 for 2017.
- The termination rates were updated to the union termination rates from 2003 Society of Actuaries Turnover Study.
- The marital assumption was changed from 85% to 70% of participants being married, so as to better represent the plan sponsor's best estimate of future experience.
- The assumed CPI rate was changed from 2.00% to 2.25% to reflect more recent market conditions.
- The assumed compensation increases changed from 4.00% to 3.75% in order to reflect the change in assumed CPI and the decrease in future expectations of pay increases due to merit and promotions from 1.00% to 0.50%.

# SCHEDULE SB (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

## Single-Employer Defined Benefit Plan Actuarial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2017**

**This Form is Open to Public Inspection**

For calendar plan year 2017 or fiscal plan year beginning 01/01/2017 and ending 12/31/2017

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of $1,000 will be assessed for late filing of this report unless reasonable cause is established.

**A** Name of plan
ABB INC. PENSION PLAN (UE 625 AND 626)

**B** Three-digit plan number (PN) ▶ 106

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
ABB INC.

**D** Employer Identification Number (EIN)
36-3100018

**E** Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

**F** Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

## Part I Basic Information

| | | | | |
|---|---|---|---|---|
| 1 | Enter the valuation date: Month 01 Day 01 Year 2017 | | | |
| 2 | Assets: | | | |
| | a Market value | 2a | | 26,617,989 |
| | b Actuarial value | 2b | | 27,100,275 |
| 3 | Funding target/participant count breakdown | | (1) Number of participants | (2) Vested Funding Target | (3) Total Funding Target |
| | a For retired participants and beneficiaries receiving payment | | 93 | 12,207,277 | 12,207,277 |
| | b For terminated vested participants | | 35 | 2,079,310 | 2,079,310 |
| | c For active participants | | 74 | 10,424,251 | 10,474,874 |
| | d Total | | 202 | 24,710,838 | 24,761,461 |
| 4 | If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ] | | | |
| | a Funding target disregarding prescribed at-risk assumptions | 4a | | |
| | b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor | 4b | | |
| 5 | Effective interest rate | 5 | | 6.00% |
| 6 | Target normal cost | 6 | | 711,367 |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN HERE**

John D Steele

Signature of actuary

9/10/2018

Date

John D Steele

Type or print name of actuary

1705326

Most recent enrollment number

Towers Watson Delaware Inc.

Firm name

203-326-5400

Telephone number (including area code)

3001 Summer Street
Floor 5
Stamford CT 06905

Address of the firm

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions [ ]

## Part II Beginning of Year Carryover and Prefunding Balances

| | | (a) Carryover balance | (b) Prefunding balance |
|---|---|---|---|
| 7 | Balance at beginning of prior year after applicable adjustments (line 13 from prior year) | 0 | 4,032,418 |
| 8 | Portion elected for use to offset prior year's funding requirement (line 35 from prior year) | 0 | 341,095 |
| 9 | Amount remaining (line 7 minus line 8) | 0 | 3,691,323 |
| 10 | Interest on line 9 using prior year's actual return of 7.05% | 0 | 260,238 |
| 11 | Prior year's excess contributions to be added to prefunding balance: | | |
| | a Present value of excess contributions (line 38a from prior year) | | 0 |
| | b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.20% | | 0 |
| | b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return | | 0 |
| | c Total available at beginning of current plan year to add to prefunding balance | | 0 |
| | d Portion of (c) to be added to prefunding balance | | 0 |
| 12 | Other reductions in balances due to elections or deemed elections | 0 | 2,000,000 |
| 13 | Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) | 0 | 1,951,561 |

## Part III Funding Percentages

| | | | |
|---|---|---|---|
| 14 | Funding target attainment percentage | 14 | 101.56% |
| 15 | Adjusted funding target attainment percentage | 15 | 109.44% |
| 16 | Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement | 16 | 101.32% |
| 17 | If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage. | 17 | % |

## Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees | (a) Date (MM-DD-YYYY) | (b) Amount paid by employer(s) | (c) Amount paid by employees |
|---|---|---|---|---|---|
| 07/17/2018 | 4,625,000 | 0 | | | |
| | | | Totals ► 18(b) | 4,625,000 | 18(c) 0 |

| | | | |
|---|---|---|---|
| 19 | Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year: | | |
| | a Contributions allocated toward unpaid minimum required contributions from prior years | 19a | 0 |
| | b Contributions made to avoid restrictions adjusted to valuation date | 19b | 0 |
| | c Contributions allocated toward minimum required contribution for current year adjusted to valuation date | 19c | 4,226,961 |

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

| Liquidity shortfall as of end of quarter of this plan year | | | |
|---|---|---|---|
| (1) 1st | (2) 2nd | (3) 3rd | (4) 4th |
| | | | |

## Part V Assumptions Used to Determine Funding Target and Target Normal Cost

**21** Discount rate:

| | 1st segment: | 2nd segment: | 3rd segment: | |
|---|---|---|---|---|
| **a** Segment rates: | 4.16 % | 5.72 % | 6.48% | ☐ N/A, full yield curve used |

| | | |
|---|---|---|
| **b** Applicable month (enter code) | **21b** | 4 |
| **22** Weighted average retirement age | **22** | 62 |

**23** Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute

## Part VI Miscellaneous Items

**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

**25** Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

**26** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

| | | |
|---|---|---|
| **27** If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment | **27** | |

## Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

| | | |
|---|---|---|
| **28** Unpaid minimum required contributions for all prior years | **28** | 0 |
| **29** Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a) | **29** | 0 |
| **30** Remaining amount of unpaid minimum required contributions (line 28 minus line 29) | **30** | 0 |

## Part VIII Minimum Required Contribution For Current Year

| | | |
|---|---|---|
| **31** Target normal cost and excess assets (see instructions): | | |
| **a** Target normal cost (line 6) | **31a** | 711,367 |
| **b** Excess assets, if applicable, but not greater than line 31a | **31b** | 387,253 |

| **32** Amortization installments: | Outstanding Balance | Installment |
|---|---|---|
| **a** Net shortfall amortization installment | 0 | 0 |
| **b** Waiver amortization installment | 0 | 0 |

| | | |
|---|---|---|
| **33** If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount | **33** | |
| **34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) | **34** | 324,114 |

| | Carryover balance | Prefunding balance | Total balance |
|---|---|---|---|
| **35** Balances elected for use to offset funding requirement | 0 | 324,114 | 324,114 |

| | | |
|---|---|---|
| **36** Additional cash requirement (line 34 minus line 35) | **36** | 0 |
| **37** Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) | **37** | 4,226,961 |
| **38** Present value of excess contributions for current year (see instructions) | | |
| **a** Total (excess, if any, of line 37 over line 36) | **38a** | 4,226,961 |
| **b** Portion included in line 38a attributable to use of prefunding and funding standard carryover balances | **38b** | 324,114 |
| **39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) | **39** | 0 |
| **40** Unpaid minimum required contributions for all years | **40** | 0 |

## Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

**41** If an election was made to use PRA 2010 funding relief for this plan:

**a** Schedule elected ☐ 2 plus 7 years ☐ 15 years

**b** Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

| | | |
|---|---|---|
| **42** Amount of acceleration adjustment | **42** | |
| **43** Excess installment acceleration amount to be carried over to future plan years | **43** | |

# SCHEDULE SB ATTACHMENTS

## Schedule SB – Statement by Enrolled Actuary

| | |
|---|---|
| **Plan Sponsor** | ABB Inc. |
| **EIN/PN** | 36-3100018 / 106 |
| **Plan Name** | ABB Inc. Pension Plan (UE 625 and 626) |
| **Valuation Date** | January 1, 2017 |
| **Enrolled Actuary** | John D. Steele |
| **Enrollment Number** | 17-05326 |

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Line 22
## Description of Weighted Average Retirement Age
## as of January 1, 2017

The average retirement age for Line 22 was calculated by creating a hypothetical life table with retirement as the only decrement, and then computing the average retirement age for the table.

| Age | Retirement Rates | Lives at each Age | Retirements at each Age | Weighted Avg Age |
|---|---|---|---|---|
| 55 | 10.00% | 1.000000 | 0.100000 | 5.50 |
| 56 | 5.00% | 0.900000 | 0.045000 | 2.52 |
| 57 | 5.00% | 0.855000 | 0.042750 | 2.44 |
| 58 | 5.00% | 0.812250 | 0.040613 | 2.36 |
| 59 | 5.00% | 0.771638 | 0.038582 | 2.28 |
| 60 | 5.00% | 0.733056 | 0.036653 | 2.20 |
| 61 | 5.00% | 0.696403 | 0.034820 | 2.12 |
| 62 | 20.00% | 0.661583 | 0.132317 | 8.20 |
| 63 | 5.00% | 0.529266 | 0.026463 | 1.67 |
| 64 | 5.00% | 0.502803 | 0.025140 | 1.61 |
| 65 | 50.00% | 0.477663 | 0.238831 | 15.52 |
| 66 | 50.00% | 0.238831 | 0.119416 | 7.88 |
| 67 | 50.00% | 0.119416 | 0.059708 | 4.00 |
| 68 | 50.00% | 0.059708 | 0.029854 | 2.03 |
| 69 | 50.00% | 0.029854 | 0.014927 | 1.03 |
| 70 | 100.00% | 0.014927 | 0.014927 | 1.04 |
| Average Age at Retirement | | | | 62.40 |
| Nearest Whole Age | | | | **62.00** |

Plan Name: ABB Inc. Pension Plan (UE 625 and 626)
EIN / PN: 36-3100018 / 106
Plan Sponsor: ABB Inc.
Valuation Date January 1, 2017

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V
## Summary of Plan Provisions

### Plan Provisions

The plan was adopted on September 15, 1984 and amendments through January 1, 2017 are reflected in the plan provisions.

| | |
|---|---|
| **Coverage and participation** | Any person hired by a participating Company who is covered by a collective bargaining agreement between the Company and the Union and who is employed at the Company's plant at Greensburg, Pennsylvania and who is assigned to the Office and Technical Unit or the SF6 Unit. Any Employee who is hired or rehired by the Company, or who is assigned by the Company to a unit otherwise covered by the Plan, on or after January 1, 2006, will not be eligible to participate in the Plan. |

### Definitions

| | |
|---|---|
| **Credited service** | Service used to determine eligibility for early retirement and disability, and used to determine benefit amounts. |
| **Vesting service** | Service used to determine eligibility for a benefit upon termination if ineligible for normal or early retirement. |
| **Earnings** | Compensation as reported on the Federal W-2 form plus elective deferrals. |

# SCHEDULE SB ATTACHMENTS

## Eligibility for Benefits

| | |
|---|---|
| **Normal retirement** | Retirement at age 65 |
| **Early retirement** | Retirement before Normal Retirement and on or after both attaining age 55 and completing five years of Credited Service |
| **Postponed retirement** | Retirement after Normal Retirement |
| **Deferred vested termination** | The benefit is payable at age 65, or payable after age 55 in a reduced amount, provided the employee had completed at least 5 years of Credited Service at the time of termination. |
| **Disability** | 6 months of total and permanent disability following 5 years of Credited Service. Participants represented by Local 626 must also have age plus Credited Service of 50 or more at the time of disability to be eligible. |
| **Preretirement death benefit** | Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse |

## Benefits Paid Upon the Following Events

| | |
|---|---|
| **Normal retirement** | A monthly benefit payable equal to 2.6% of Earnings for each year of participation service on and after the Original Effective Date (September 15, 1984 for Local 625, January 1, 1985 for Local 626). However, if Local 626 and more than 10 but less than 25 years of Credited Service, benefits are based on the highest 5 year average of Earnings within the last 10 years prior to retirement. If more than 25 years of Credited Service, the benefit is based on the larger of career average earnings in the first sentence above and final average earnings in the second sentence above. For all participants, the benefit is subject to a minimum of $180 per year for each year of Credited Service. |

# SCHEDULE SB ATTACHMENTS

**Early retirement**

A monthly benefit calculated based on service to early retirement date. The benefit is payable unreduced at age 62 with 5 years of Vesting Service or age 60 with 35 years of Credited Service. Otherwise, the benefit is reduced as follows:

| Age at Retirement | Local 625 and 626 Reduction Factor |
|---|---|
| 62 - 65 | 100.0% |
| 61 | 94.0% |
| 60 | 87.4% |
| 59 | 81.3% |
| 58 | 75.5% |
| 57 | 69.9% |
| 56 | 63.5% |
| 55 | 57.9% |

**Postponed retirement**

The benefit is based on the participant's Credited Service at their actual retirement date.

**Deferred vested termination**

The monthly pension benefit determined as of the termination date. The reduction for early retirement is the same as described under Early Retirement, above.

**Disablement**

A monthly benefit equal to the employee's accrued benefit based on years of Credited Service at the date of disablement, payable without reduction.

**Preretirement death**

In the event of the death of an active employee, the surviving spouse will be entitled to 50% of the accrued benefit, reduced for the 50% joint and survivor option and early retirement, as of the date of death, payable upon the later of (1) the date of the employee's death and (2) the 55th anniversary of the employee's birth (a 55% joint and survivor benefit and commencment at date of death if death occurred after attaining age 50 for Local 626).

# SCHEDULE SB ATTACHMENTS

## Other Plan Provisions

**Special temporary early retirement supplement**

Participants who retire between the ages of 58 and 62 with at least 30 years of Credited Service are eligible for a special temporary early retirement supplement. This supplement is equal to $460 per month for Local 625 and $525 per month for Local 626, if the participant begins receiving their pension benefit within 24 months of their last day of active employment. The supplement will be paid until the participant becomes eligible for Social Security benefits or reaches age 62, whichever is first. If the participant dies before age 62, the temporary supplement payments stop.

The supplement is reduced if the sum of the participant's monthly pension and the supplement exceeds 70% of the participant's annual pre-retirement pay.

**Form of payment**

Normal forms of Payment

- For Single participants pension benefits are paid as a life annuity.
- For married participants pension benefit are paid as a 50% Joint & Survivor annuity.

Forms of Payment in Lieu of Normal Forms

- Joint & Survivor Options (50%, 75%, 100%).

## Changes in Benefits Valued Since Prior Year

There have been no changes in benefits valued since prior year.

ABB INC. PENSION PLAN (UE 625 AND 626)

Schedule H, Line 4i- Schedule of Assets (Held at End of Year)

EIN #36-3100018

PLAN #106

December 31, 2017

| (a) | (b) Identity of issuer, borrower, lessor, or similar party | (c) Description of investment | (d) Cost | (e) Current value |
|---|---|---|---|---|
| * | ABB Inc. Pension Plan (UE 625 and 626) | Employer Contribution Receivable | $4,625,000 | $4,625,000 |
| * | Interest in the ABB Inc. Master Trust | ABB Inc. Master Trust | $28,417,330 | $28,417,330 |

* Denotes a party-in-interest.

# SCHEDULE SB ATTACHMENTS

## Schedule SB, Part V
## Schedule SB, Line 24
## Change in Actuarial Assumptions

The following changes were made to non-prescribed actuarial assumptions for 2017:

- The assumed plan-related expenses added to the target normal cost were changed from $90,000 for 2016 to $140,000 for 2017.
- The termination rates were updated to the union termination rates from 2003 Society of Actuaries Turnover Study.
- The marital assumption was changed from 85% to 70% of participants being married, so as to better represent the plan sponsor's best estimate of future experience.
- The assumed CPI rate was changed from 2.00% to 2.25% to reflect more recent market conditions.
- The assumed compensation increases changed from 4.00% to 3.75% in order to reflect the change in assumed CPI and the decrease in future expectations of pay increases due to merit and promotions from 1.00% to 0.50%.