

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF MISSOURI**

RONALD TUSSEY, *et al.*,

Plaintiffs,

vs.

No. 2:06-cv-4305-NKL

ABB INC., *et al.*,

Defendants.

NOTICE OF CLASS ACTION SETTLEMENT AND FAIRNESS HEARING

Your legal rights might be affected if you are a member of the following class:

All persons who participated in the Personal Retirement Investment and Savings Management Plan for Employees of ABB Inc. and the Personal Retirement Investment and Savings Management Plan for Represented Employees of ABB Inc. (“Plan(s)”) at any time during the Class Period, including any beneficiary of a deceased person who participated in the Plan at any time during the Class Period, and/or, Alternate Payee, in the case of a person subject to a Qualified Domestic Relations Order who participated in the Plan at any time during the Class Period. Excluded from the class are the ABB Defendants and any individual who served on a Committee identified as an ABB Defendant.

The Class Period is defined as December 29, 2000 through December 31, 2007. For purposes of this Notice, if not defined herein, capitalized terms have the Definitions in the Settlement Agreement, which is incorporated herein by reference.

PLEASE READ THIS SETTLEMENT NOTICE CAREFULLY.

- The Court has given its preliminary approval to a proposed settlement (the “Settlement”) of a class action lawsuit brought by certain participants in the Plans against ABB Inc., John W. Cutler, Jr., Pension Review Committee of ABB Inc., Pension & Thrift Management Group of ABB Inc., and Employee Benefits Committee of ABB Inc., alleging violations of the Employee Retirement Income Security Act (“ERISA”). The Settlement will provide for the allocation of monies directly into the individual accounts of the Class Members who had an Active Account during the Class Period with a balance greater than \$0 as of the Settlement Agreement Execution Date (March 27, 2019) (“Current Participants”). Class Members who an Active Account during the Class Period but did not have a balance greater than \$0 as of the Settlement Agreement Execution Date (March 27, 2019) (“Former Participants”) will receive their allocation in the form of a check mailed to their last known address or a rollover, if elected.
- The terms and conditions of the Settlement are set forth in the Settlement Agreement dated March 27, 2019. A copy of the Settlement Agreement is available at www.ABB401ksettlement.com. Any amendments to the Settlement Agreement and other settlement documents will be posted on that website. You should visit that website if you would like more information about the Settlement and any possible amendments to the Settlement Agreement or other changes, including changes to the Plan of Allocation, the date, time, or location of the Fairness Hearing, or other Court orders concerning the Settlement.
- Your rights and options — and the deadlines to exercise them — are explained in this Settlement Notice.
- The Court still has to decide whether to give final approval to the Settlement Agreement. Payments under the Settlement will be made only if the Court finally approves the Settlement and that final approval is upheld in the event of any appeal.

- A hearing on the final approval of the Settlement and for approval of the Class Representatives’ petition for Attorneys’ Fees and Costs and for Class Representatives’ Compensation will take place on August 13, 2019, at 10:00 a.m., before U.S. District Court Judge Nanette K. Laughrey at the United States District Courthouse for the Western District of Missouri, Courtroom 4A, Jefferson City, MO.
- Any objections to the Settlement, to the petition for Attorneys’ Fees and Costs or to Class Representatives’ Compensation, must be served in writing on Class Counsel and Defendant’s Counsel, as identified on page 6 of this Settlement Notice.

Our records indicate that you are a Current Participant. If you believe that you meet the definition of a Former Participant, please contact the Settlement Administrator. Current Participants are individuals who had Active Accounts during the Class Period with a balance greater than \$0 as of the Settlement Agreement Execution Date (March 27, 2019).

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT:

OUR RECORDS INDICATE THAT YOU ARE A CURRENT PARTICIPANT. YOU DO NOT NEED TO DO ANYTHING TO PARTICIPATE IN THE SETTLEMENT.	<p><u>Our records indicate that you are a Current Participant.</u> If, however, you are a “Former Participant” who participated in the Plan during the Class Period and did not have a balance greater than \$0 as of March 27, 2019 or are the beneficiary, alternate payee, or attorney-in-fact of such a person, then, unlike a Current Participant, you must return a Former Participant Claim Form, postmarked by August 3, 2019 to receive a check for your share of the Settlement Amount. If you are a Former Participant and you do not return the Former Participant Claim Form, postmarked by August 3, 2019, you will forfeit your share of the Settlement Amount. Current Participants do not need to submit a claim form. However, if you believe you are a Former Participant, a claim form may be obtained at www.ABB401ksettlement.com.</p>
YOU CAN OBJECT (NO LATER THAN JULY 14, 2019).	<p>If you wish to object to any part of the Settlement, you may (as explained below) contact the Court and counsel about why you object to the Settlement. The Court has authorized the parties to seek discovery, including the production of documents and appearance at a deposition, from any person who files an objection.</p>
YOU CAN ATTEND A HEARING ON AUGUST 13, 2019.	<p>If you submit a written objection to the Settlement to the Court and counsel before the deadline, you may attend the hearing about the Settlement and present your objections to the Court. You may attend the hearing even if you do not file a written objection, but you will not be permitted to address the Court at the hearing if you do not notify the Court and counsel of your intention to appear at the hearing by August 3, 2019.</p>

The Class Action

The case is called *Tussey, et al. v. ABB Inc., et al.*, Case No. 2:06-cv-4305 (the “Class Action”). The Court supervising the case is the United States District Court for the Western District of Missouri. The individuals who brought this suit are called Class Representatives, and the individuals and entities they sued include the ABB Defendants. The Class Representatives are current and former participants in the Plans. The Class Representatives’ claims are described below, and additional information about them is available at www.ABB401ksettlement.com.

The Settlement

The Settlement was reached on March 27, 2019. Class Counsel filed this action on December 29, 2006. Since the filing of this action and for a period of twelve years, the parties engaged in substantial litigation. The Parties participated in mediation before a nationally recognized mediator who has extensive experience in resolving similar claims involving other 401(k) plans. The parties also engaged in settlement discussions without a mediator. Only after extensive arm's length negotiation following the mediation were the parties able to agree to the terms of the Settlement.

As part of the Settlement, a Qualified Settlement Fund with a Gross Settlement Amount of \$55,000,000 will be established. The Net Settlement Amount is \$55,000,000 minus any Attorneys' Fees and Costs paid to Class Counsel; all Class Representatives' Compensation as authorized by the Court; all Administrative Expenses; and a contingency reserve not to exceed an amount to be mutually agreed upon by the Settling Parties that is set aside by the Settlement Administrator for: Administrative Expenses incurred before the Settlement Effective Date but not yet paid, Administrative Expenses estimated to be incurred after the Settlement Effective Date but before the end of the Settlement Period, and an amount estimated for adjustments of data or calculation errors. The Net Settlement Amount will be allocated to Class Members according to a Plan of Allocation to be approved by the Court.

Statement of Attorneys' Fees and Costs Sought in the Class Action

Since 2005, Class Counsel have devoted many hours bringing this case. Class Counsel reviewed thousands of pages of documents produced in this case and thousands of publicly filed documents with the Department of Labor to support their claims. Class Counsel took the risk of litigation and has not been paid for any of their time or for any of their costs incurred in bringing this action. Class Counsel has agreed to bring an enforcement action in court, if necessary, to insure compliance with the Settlement Agreement and do so without pay.

Class Counsel will apply to the Court for payment of Attorneys' Fees and Costs for their work in the case. The amount of fees (not including costs) that Class Counsel will request will not exceed one-third of the Settlement Amount, \$18,331,500, in addition to no more than \$2,510,000 in litigation costs. Class Counsel will not seek to receive any interest earned by the Qualified Settlement Fund, which will be added to the amount received by the Class or paid to the Plans. Any Attorneys' Fees and Costs awarded by the Court to Class Counsel will be paid from the Qualified Settlement Fund.

As is customary in class action cases, Class Representatives have spent substantial time and effort on the litigation. Class Counsel also will ask the Court to approve payments, not to exceed \$25,000 each for the Class Representatives who took on the risk of litigation and devoted considerable time to it. Their activities also included assisting in the factual investigation of the case by Class Counsel and giving overall support to the case. Any Class Representatives' Compensation awarded by the Court will be paid from the Qualified Settlement Fund.

A full application for Attorneys' Fees and Costs and for Class Representatives' Compensation will be filed with the Court and made available on the Settlement Website, www.ABB401ksettlement.com.

1. Why Did I Receive This Settlement Notice?

The Court caused this Settlement Notice to be sent to you because the Plan's records indicate that you may be a Class Member. If you fall within the definition of the Class, you have a right to know about the Settlement and about all of the options available to you before the Court decides whether to give its final approval to the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, the Net Settlement Amount will be allocated among Class Members according to a Court-approved Plan of Allocation.

2. What Is The Class Action About?

In the litigation, Class Representatives claim that, during the Class Period, the ABB Defendants violated the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, 29 U.S.C. 1001 *et seq.* with respect to the management, operation and administration of the ABB Plans.

ABB Defendants have denied and continue to deny the allegations, claims and contentions of the Class Representatives, deny that they are liable at all to the Class, and deny that the Class or the Plans have suffered any

harm or damage for which ABB Defendants could or should be held responsible, as the ABB Defendants deny all allegations of wrongdoing and deny that the Plans suffered harm or damage from those claims.

3. Why Is There A Settlement?

The Court has not reached a final decision as to all of claims in the Class Action. Instead, the Class Representatives and the ABB Defendants have agreed to the Settlement. The Settlement is the product of extensive negotiations between Class Counsel and Defense Counsel during an all-day session with a private mediator and additional arm's length negotiations. The parties to the Settlement have taken into account the uncertainty and risks of litigation and have concluded that it is desirable to settle on the terms and conditions set forth in the Settlement Agreement. The Class Counsel, who are highly experienced in this kind of matter, and the Class Representatives believe that the Settlement is best for all Class Members.

4. What Does The Settlement Provide?

The Net Settlement Amount will be allocated to Class Members according to a Plan of Allocation to be approved by the Court. Class Members fall into two categories: Current Participants and Former Participants. Allocations to Current Participants who are entitled to a distribution under the Plan of Allocation will be made into their existing Plan accounts. Former Participants who are entitled to a distribution will receive their distribution as a check mailed to their last known address or, if they elect, as a rollover to a qualified retirement account.

All Class Members (and their respective heirs, beneficiaries, executors, administrators, estates, past and present partners, officers, directors, agents, attorneys, predecessors, successors, and assigns) will fully release the Plans as well as ABB Defendants and "Released Parties" from "Released Claims." The Released Parties include (a) ABB Inc., John W. Cutler, Jr., Pension Review Committee of ABB Inc., Pension & Thrift Management Group of ABB Inc., and Employee Benefits Committee of ABB Inc.; (b) their insurers, co-insurers, and reinsurers, (c) their past, present, and future parent corporation(s), (d) their past, present, and future affiliates, subsidiaries, divisions, joint ventures, predecessors, successors, successors-in-interest, and assigns; and (e) with respect to (a) through (d) above their past, present and future members of their respective boards of directors, managers, partners, agents, members, shareholders (in their capacity as such), officers, employees, independent contractors, representatives, attorneys, administrators, fiduciaries, accountants, auditors, advisors, consultants, personal representatives, spouses, heirs, executors, administrators, associates, employee benefit plan fiduciaries (with the exception of the Independent Fiduciary), employee benefit plan administrators, service providers to the Plans (including their owners and employees), members of their immediate families, consultants, subcontractors, and all persons acting under, by, through, or in concert with any of them.

The Released Claims mean any and all actual or potential claims, actions, demands, rights, obligations, liabilities, damages, attorneys' fees, expenses, costs, and causes of action, whether arising under federal, state or local law, whether by statute, contract or equity, whether brought in an individual or representative capacity, whether known or unknown, suspected or unsuspected, foreseen or unforeseen for actions during the Class Period, and include, but are not limited to, claims that were asserted in the Class Action or that relate to any of the allegations, facts or occurrences asserted in the lawsuit or would be barred by the principles of res judicata or collateral estoppel had the claims asserted been fully litigated and resulted in final judgment; and all claims relating to the implementation of the Settlement.

This is only a summary of the Released Claims and not a binding description of the Released Claims. The actual governing release is found within the Settlement Agreement at www.ABB401ksettlement.com. Generally, the release means that Class Members will not have the right to sue the ABB Defendants, the Plans, or the Released Parties for conduct during the Class Period arising out of or relating to the allegations in the Class Action.

This is only a summary of the Settlement. A copy of the entire Settlement Agreement is available at www.ABB401ksettlement.com.

5. How Much Will My Distribution Be?

The amount, if any, that will be allocated to you will be based upon the Plans records. Calculations of the individual

distributions will be performed by the Settlement Administrator, whose determinations will be final and binding, pursuant to the Court-approved Plan of Allocation. The Settlement Agreement further details a Plan of Allocation.

To be eligible for a distribution from the Net Settlement Amount, you must either be a (1) “Current Participant” as defined on page 1 or (2) an “Authorized Former Participant” (a “Former Participant” as defined on page 1 who submitted a completed, satisfactory Former Participant Claim Form that is postmarked by the deadline), or (3) a beneficiary, alternate payee, or attorney-in-fact of persons identified in (1) or (2).

The Plan of Allocation will allocate the Net Settlement Fund among Current and Authorized Former Participants as follows:

1. The Settlement Administrator shall obtain from the Plans’ recordkeeper (1) the balance of each Class Member’s investment in the Vanguard Wellington Fund (“VWF”) as of the date the VWF was removed from the Plans (March 31, 2001) and (2) the quarter ending balances of each Class Member’s account for each quarter during the Class Period.
2. The Net Settlement Amount shall be divided into two portions: (1) 62% to those Authorized Former Participants and Current Participants invested in the VWF (“VWF Portion”); and (2) 38% to all Authorized Former Participants and Current Participants in either Plan (“Recordkeeping Fee Portion”).
3. The VWF Portion will be allocated among Class Members as follows: each Class Member will receive the proportional fraction of the VWF Portion that is the Class Member’s balance in the VWF as of the date the VWF was removed from the Plans.
4. The Recordkeeping Fee Portion will be allocated among those Authorized Former and Current Participants in either Plan during the Class Period, their allocation of the Recordkeeping fee portion will be as follows: 1) The quarterly balances for the Class Period of participants invested in each of the Plans are identified for each quarter; 2) All quarterly balances identified in step 1 are summed together for each participant; 3) An average quarterly balance for each participant is calculated for the Class Period; 4) for each participant, the average quarterly balance of step 3 is divided by the sum of the average quarterly balances for the Class Period of all participants; and 5) Each participant will receive the proportional fraction of the Recordkeeping Fee Portion which is calculated in Step 4.

Notwithstanding the Plan of Allocation, no amount shall be distributed that is five dollars (\$5.00) or less, because such an amount is de minimis and would cost more in processing than its value. The method of making these calculations is described in the Plan of Allocation, found in Article 6 of the Settlement Agreement and available at www.ABB401ksettlement.com.

There are approximately 24,261 Class Members.

Note that if you are an alternate payee pursuant to a Qualified Domestic Relations Order, you will receive a check if and to the extent you are entitled to receive a portion of a Current Participant’s or Authorized Former Participant’s allocation under the Settlement Agreement in accordance with the plan of allocation as if you were a Current Participant or Authorized Former Participant.

6. How Can I Receive My Distribution?

Whether you need to submit a claim form to receive your distribution depends on whether you are considered a “Current Participant” or a “Former Participant.” **According to our records, you are a Current Participant. If so, you do not need to do anything to receive your share of the Settlement.**

7. When Will I Receive My Distribution?

The timing of the distribution of the Net Settlement Amount is conditioned on several matters, including the Court’s final approval of the Settlement and that approval becoming final and no longer subject to any appeals in any court. An appeal of the final approval may take several years. If the Settlement is approved by the Court, and there are no appeals, the Settlement distribution will occur approximately in early 2020.

There will be no payments under the Settlement if the Settlement Agreement is Terminated.

8. Can I Get Out Of The Settlement?

No. The Class was certified under Federal Rule of Civil Procedure 23(b)(1). Therefore, as a Class Member, you are bound by any judgments or orders that are entered in the Class Action for all claims that were asserted in the Class Action or are otherwise included as Released Claims under the Settlement.

9. Do I Have A Lawyer In The Case?

The Court has appointed the law firm Schlichter, Bogard & Denton, in St. Louis, Missouri, as Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

10. How Will The Lawyers Be Paid?

Class Counsel will file a petition for the award of Attorneys' Fees and Costs. This petition will be considered at the Fairness Hearing. Class Counsel has agreed to limit their application for an award of Attorneys' Fees and Costs to not more than \$18,331,500 in fees and \$2,510,000 in costs. The Court will determine what fees and costs will be approved.

11. How Do I Tell The Court If I Don't Like The Settlement?

If you are a Class Member, you can tell the Court that you do not agree with the Settlement or some part of it. To object, you must send the Court a written statement that you object to the Settlement in *Tussey, et al. v. ABB Inc., et al.*, Case No. 2:06-cv-4305. Be sure to include your name, address, telephone number, signature, and a full explanation of why you object to the Settlement. Your written objection must be received by the Court no later than **July 14, 2019**. The Court's address is United States District Courthouse for the Western District of Missouri, Christopher S. Bond Court House, 80 Lafayette Street, Jefferson City, MO 65101. Your written objection also must be mailed to the lawyers listed below, **no later than July 14, 2019**. Please note that the Court's Order Granting Preliminary Approval of this Settlement provides that any party to the litigation may, but is not required to, serve discovery requests, including requests for documents and notice of deposition not to exceed two hours in length, on any objector. Any responses to discovery, or any depositions, must be completed within ten days of the request being served on the objector.

CLASS COUNSEL	ABB DEFENDANTS' COUNSEL
SCHLICHTER, BOGARD & DENTON Attn: ABB 401(k) Settlement 100 S. Fourth St., Suite 1200 St. Louis, MO 63102 ABB401ksettlement@uselaws.com Tel: (314) 621-6115 Fax: (314) 621-5934	BRYAN CAVE LEIGHTON PAISNER LLP Attn: Jeffrey Russell One Metropolitan Square 211 North Broadway, Suite 3600 St. Louis, MO 63102 Tel: (314) 259-2000

12. When And Where Will The Court Decide Whether To Approve The Settlement?

The Court will hold a Fairness Hearing at 10:00 a.m. on August 13, 2019, at the United States District Courthouse for the Western District of Missouri, Courtroom 4A, Jefferson City, MO.

At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to give its final approval to the Settlement. The Court also will consider the petition for Class Counsel's Attorneys' Fees and Costs and any Class Representatives' Compensation.

13. Do I Have To Attend The Fairness Hearing?

No, but you are welcome to come at your own expense. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed a written objection on time, the Court will consider it when the Court

considers whether to approve the Settlement as fair, reasonable and adequate. You also may pay your own lawyer to attend the Fairness Hearing, but such attendance is not necessary.

14. May I Speak At The Fairness Hearing?

If you are a Class Member, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter or other paper called a “Notice of Intention to Appear at Fairness Hearing in *Tussey, et al. v. ABB Inc.*, Case No. 2:06-cv-4305.” Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be mailed to the attorneys and filed with the Clerk of the Court, at the addresses listed in the Answer to Question No. 11, **no later than August 3, 2019**.

15. What Happens If I Do Nothing At All?

If you are a “Current Participant” as defined above, and do nothing, you will participate in the Settlement of the Class Action as described above in this Settlement Notice if the Settlement is approved.

If you are a “Former Participant” as defined above, and you do nothing, you will be bound by the Settlement of the Class Action as described above in this Settlement Notice if the Settlement is finally approved, **BUT YOU WILL NOT RECEIVE ANY MONEY UNLESS YOU SUBMIT A FORMER PARTICIPANT CLAIM FORM.**

16. How Do I Get More Information?

If you have general questions regarding the Settlement, you can visit this website: www.ABB401ksettlement.com, call 1-866-232-6129, or write to the Settlement Administrator at ABB 401(k) Settlement Administrator, P.O. Box 2005, Chanhassen, MN 55317-2005.

ABB 401(k) Settlement Administrator
P.O. Box 2005
Chanhassen, MN 55317-2005