

Proposals by the Election Committee of AB Volvo to the Annual General Meeting 2009

The Election Committee's proposal as regards Chairman of the Annual General Meeting

The Election Committee proposes Sven Unger, attorney, to be the Chairman of the Meeting.

The Election Committee's proposal as regards the number of members and deputy members of the Board of Directors

The Election Committee proposes nine members and no deputy members.

The Election Committee's proposal as regards remuneration to be paid to the Board of Directors

The Election Committee proposes that the individual fees shall remain on the same level as 2008. The Election Committee accordingly proposes that the Chairman of the Board is awarded SEK 1,500,000 and each of the other members SEK 500,000 with the exception of the President. It is further proposed that the Chairman of the Audit Committee is awarded SEK 250,000 and the other two members of the Audit Committee SEK 125,000 each and the members of the Remuneration Committee SEK 75,000 each.

The Election Committee's proposal as regards Board members

The Election Committee proposes the re-election of Peter Bijur, Leif Johansson, Finn Johnsson as Chairman, Louis Schweitzer, Ravi Venkatesan, Lars Westerberg and Ying Yeh. The Election Committee further proposes the election, for the first time, of Jean-Baptiste Duzan and Anders Nyrén.

Information relating to the proposed Board members is set out below.

Peter Bijur

Born 1942, MBA Marketing, BA Political Science

Member of the Volvo Board since: 2006, member of the Audit Committee.

Board member: Gulfmark Offshore Inc.

Holdings in Volvo, own and related parties: 3,000 Series B shares

Principal work experience: Numerous positions with Texaco Inc, retired as Chairman and Chief Executive Officer in 2001.

Independence: Considering the demands laid down in the Rule Book for Issuers issued by the OMX Nordic Exchange Stockholm and the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Mr. Bijur is independent from the company, the company management and the company's major shareholders.

Leif Johansson

Born 1951, M. Sc. Engineering.

President of AB Volvo and Chief Executive Officer of the Volvo Group since 1997.

Member of the AB Volvo Board since: 1997.

Board member: Bristol-Myers Squibb Company, Svenska Cellulosa Aktiebolaget SCA, Confederation of Swedish Enterprise and The Association of Swedish Engineering Industries. Member of the Royal Swedish Academy of Engineering Sciences.

Holdings in Volvo, own and related parties: 539,477 shares, including 347,690 Series B shares.

Principal work experience: Project consultant Indevo; Assistant to President Centro Maskin Morgårdshammar; President Husqvarna Motorcyklar; Division Manager Office Machines Facit Sweden; President Facit; Division Manager AB Electrolux Major Appliances; Division President AB Electrolux Major Appliances; Executive Vice President AB Electrolux; President AB Electrolux; CEO Electrolux Group.

Independence: Considering the demands laid down in the Rule Book for Issuers issued by the OMX Nordic Exchange Stockholm and the Swedish Code of Corporate Governance regarding the Board's independence and that Leif Johansson is Volvo's CEO, the Election Committee considers Mr. Johansson independent of the company's major shareholders but not of the company and company management.

Finn Johnsson

Born 1946, Master of Business Administration.

Member of the AB Volvo Board since: 1998. Chairman since February 2004, Chairman of the Remuneration Committee.

Board Chairman: West Sweden Chamber of Commerce and Industry, Luvata Oy, Thomas Concrete Group AB, KappAhl AB, City Airline and EFG European Furniture Group AB.

Board member: Skanska AB and AB Industrivärden.

Holdings in Volvo, own and related parties: 60,000 shares, whereof 40,000 Series B shares.

Principal work experience: Machine Division at Swedish Match; President Arenco Machine Co., USA; President Swedish Match Europe and Swedish Match Asia; President Tarkett AB; Executive Vice President Stora AB; President Industri AB Euroc; President United Distillers, UK; CEO of Mölnlycke Health Care AB.

Independence: Considering the demands laid down in the Rule Book for Issuers issued by the OMX Nordic Exchange Stockholm and the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Mr. Johnsson is independent from the company, the company management and the company's major shareholders.

Louis Schweitzer

Born 1942. Bachelor of Laws.

Member of the AB Volvo Board since: 2001, member of the Remuneration Committee.

Board Chairman: Renault s.a.s. and AstraZeneca Plc. and chairman of the Supervisory Board of Le Monde

Board member: BNP-Paribas, Véolia and L'Oréal.

Holdings in Volvo, own and related parties: 10,000 Series B shares.

Principal work experience: Official at French Budget Department; Chief of Staff of Mr Laurent Fabius (Minister of Budget, then Minister for Industry and Research, and Prime Minister), Chairman, French Commission for Equality (since 2005); numerous positions with Renault s.a.s. (Chief Financial Officer and Executive Vice President Finance and Planning, President and Chief Operating Officer, Chairman and Chief Executive Officer).

Independence: Considering the demands laid down in the Rule Book for Issuers issued by the OMX Nordic Exchange Stockholm and the Swedish Code of Corporate Governance regarding the Board's independence, the election committee is of the opinion that Mr. Schweitzer is independent from the company and the company management. Louis Schweitzer is Chairman of Renault s.a.s. and represents Renault s.a.s. on the company's Board. Since Renault s.a.s. controls more than 10% of the shares and votes in Volvo, he may not in the Election Committee's opinion be considered as independent in relation to one of the company's major shareholders.

Ravi Venkatesan

Born 1963. MBA and a M. Sc. Industrial Engineering.

Board chairman of Microsoft Corporation (India) Pvt. Ltd, and responsible for the company's operational and business development in India.

Member of the Volvo Board since: 2008

Board Chairman: Junior Achievement India, Non profit organisation

Board member: Non Profit Advisory Board Harvard Business School, Advisory Board Indian Institute of Technology

Holdings in Volvo, own and related parties: None

Principal work experience: Before joining Microsoft, Ravi Venkatesan worked for over 17 years with Cummins, Inc, a US-based designer, manufacturer and distributor of engines and related technologies. He served in various leadership capacities at Cummins, including chairman of Cummins India Ltd and managing director of Tata Cummins Ltd, a joint venture between Cummins Inc and Tata Motors Ltd. Under his leadership, Cummins became the leading provider of power solutions and the largest manufacturer of automotive engines in the country.

Independence: Considering the demands laid down in the Rule Book for Issuers issued by the OMX Nordic Exchange Stockholm and in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Mr. Venkatesan is independent from the company, the company management and the company's major shareholders.

Lars Westerberg

Born 1948, MSc Engineering, Bachelor Business Administration

Member of the AB Volvo Board since: 2007, Chairman of the Audit Committee.

Board Chairman: Autoliv Inc., Husqvarna AB and Vattenfall AB.

Board member: SSAB Svenskt Stål AB and Plastal AB.

Holdings in Volvo, own and related parties: 60,000 Series A shares

Principal work experience: President and CEO of Gränges AB, ESAB and Autoliv Inc.

Independence: Considering the demands laid down in the Rule Book for Issuers issued by the OMX Nordic Exchange Stockholm and in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Mr. Westerberg is independent from the company, the company management and the company's major shareholders.

Ying Yeh

Born 1948, BA, Literature & International Relations.

President and Chairman of Eastman Kodak North Asia Region.

Member of the Volvo Board since: 2006, member of the Audit Committee.

Holdings in Volvo, own and related parties: None

Principal work experience: Journalist NBC, New York. Numerous positions with the U S Government Foreign Service in Burma, Hong Kong, Taiwan and Beijing. Various positions with Eastman Kodak in China.

Independence: Considering the demands laid down in the Rule Book for Issuers issued by the OMX Nordic Exchange Stockholm and in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Ying Yeh is independent from the company, the company management and the company's major shareholders.

Jean-Baptiste Duzan

Born in 1946, Graduate at Ecole Polytechnique
Senior Vice President and Advisor to the CEO, Renault s.a.s.

Board Member: Renault Credit International

Holdings in Volvo, own and related parties: None

Principal work experience: Began his career at Citibank. Joined the Renault group in 1982 to take up a position as director of financial services at Renault V.I. He has been director of financial operations, project director for the car model Safrane, Senior Vice President, Purchasing, and joined the Renault Management Committee. He also was named Chairman and managing director, Renault Nissan Purchasing Organization.

Independence: Considering the demands laid down in the Rule Book for Issuers issued by the OMX Nordic Exchange Stockholm and the Swedish Code of Corporate Governance regarding the Board's independence, the election committee is of the opinion that Mr. Duzan is independent from the company and the company management. Jean-Baptiste Duzan is employed by Renault s.a.s. and represents Renault s.a.s. on the company's Board. Since Renault s.a.s. controls more than 10% of the shares and votes in Volvo, he may not in the Election Committee's opinion be considered as independent in relation to one of the company's major shareholders.

Anders Nyrén

Born 1954, Graduate of the Stockholm School of Economics and MBA at UCLA.

President and CEO of AB Industrivärden.

Board Chairman: The Association of Exchange-Listed Companies and the Association for Generally Accepted Principles in the Securities Market.

Board Member: Vice Chairman of Svenska Handelsbanken and Sandvik. Director of AB Industrivärden, Telefonaktiebolaget L M Ericsson, Svenska Cellulosa Aktiebolaget SCA, SSAB Svenskt Stål AB and Ernströmgruppen.

Holdings in Volvo, own and related parties: None

Principal work experience: AB Wilhelm Becker, STC: Controller, STC: Executive Vice President and CFO, STC Venture AB: President, OM International AB: President and CEO, Securum: Executive Vice President and CFO, Nordbanken: Director with executive responsibility for Markets and Corporate Finance and Skanska: Executive Vice President and CFO.

Independence: Considering the demands laid down in the Rule Book for Issuers issued by the OMX Nordic Exchange Stockholm and in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Anders Nyrén is independent from the company, the company management and the company's major shareholders.

Statement explaining the proposals regarding the Board of directors

Based on the evaluation of the current Board of directors and its work the Election Committee has come to the conclusion that the current Board is well functioning and possesses valuable and broad experience and competence. By reason i.a. of the fact that Tom Hedelius and Philippe Klein would not stand for re-election the Committee has however concluded that two new Board members should be considered. The Election Committee has retained the international recruitment consultant Egon Zehnder International (EZI) to assist in the review and evaluation of potential future candidates. The Election Committee has decided to propose Jean-Baptiste Duzan and Anders Nyrén as new Board members. The Election Committee considers that Jean-Baptiste Duzan and Anders Nyrén are very well suited as Board members of AB Volvo, given i.a. Jean-Baptiste Duzan's experience among others from the automotive industry and Anders Nyrén's experience from among others industrial holding companies, banking, finance and construction. In the Election Committee's opinion the Board as proposed by the Election Committee possesses broad, valuable and relevant qualifications and experiences in view of the Volvo Group's operations, strategies and future challenges.

The Election Committee's proposal as regards members of the Election Committee

The Election Committee proposes that the Annual General Meeting elects the following persons to serve as members of the Election Committee and resolves that no fees shall be paid to the members of the Election Committee, all in accordance with the instruction for the Election Committee.

Finn Johnsson, Chairman of the Board
Thierry Moulouquet, representing Renault s.a.s
Carl-Olof By, representing AB Industrivärden

Lars Förberg, representing Violet Partners LP
Lars Öhrstedt, representing AFA Försäkring

Presentation of the activities carried out by the Election Committee

At the 2008 Annual General Meeting of shareholders in AB Volvo, the following were appointed to the Election Committee.

Finn Johnsson, Chairman of the Board
Carl-Olof By, representing AB Industrivärden
Lars Förberg, representing Violet Partners LP
Anders Oscarsson, representing SEB Fonder / Trygg Försäkring
Thierry Moulouguet, representing Renault s.a.s.

The Election Committee held its first meeting on April 27, 2008, at which Thierry Moulouguet was appointed Chairman and it was decided to add two other members to the Election Committee. Following this decision, Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Pensionskassa, SHB Employee Fund and Oktogonen and Christer Elmehagen representing AMF Pension, were appointed to the Election Committee. When Christer Elmehagen resigned from AMF Pension in December 2008 he also resigned from the Election Committee.

The Election Committee has held in total six meetings. These meetings have mainly been devoted to an evaluation of the performance of the current Board, discussions regarding the number of Board members, the need to undertake new recruitment, discussions relating to potential new Board members and discussions regarding the fees to be paid to the Board members.

The evaluation of the current Board has included i.a. a report from the Board Chairman Finn Johnsson to the Election Committee on the Board's recurring self-evaluation process. In addition the Election Committee has also studied the work procedures for the Board's activities.

Due to the fact that Tom Hedelius and Philippe Klein would not stand for re-election the Election Committee concluded that two new Board members should be considered. The Election Committee has further thoroughly discussed whether to propose to expand the Board, however reaching the conclusion that an expansion is not desirable at present in view of among others the need for continuity and work efficiency.

The Election Committee decided to engage the services of Egon Zehnder International (EZI), an international recruitment consultant to assist in the review and evaluation of potential future candidates.

The Election Committee has decided to propose the election of Jean-Baptiste Duzan, possessing among others valuable international knowledge and experience from the automotive industry and Anders Nyrén, possessing among others valuable knowledge from a broad set of industrial companies.

The Board fees have not been raised for a couple of years and although the Election Committee acknowledges the importance of competitive board fees the Election Committee has decided to propose that the fees to be paid to the Board members shall remain the same as the fees decided at the AGM of 2008 in view of the present difficult business climate.

At the Election Committee's meetings, the Committee also discussed and formulated proposals to the 2009 Annual General Meeting as regards the other Board members, including the Chairman, the Chairman of the Annual General Meeting and the members of the Election Committee 2009/2010, who are proposed as set forth in the instruction for the Election Committee.

The Election Committee has further evaluated the instructions and the work of the Election Committee and has come to the conclusion that the instructions provide transparent and predictable rules as to the composition of the Election Committee and also provide a suitable and effective work procedure for the Election Committee. Therefore no changes of the instructions are proposed.

The costs incurred in the Election Committee's discharge of its assignment amount to SEK 947,981.71 whereof SEK 931,140.74 for the services of EZI, SEK 13,073.57 for travelling expenses and SEK 3,767.40 for teleconference services.

February 2009

Election Committee for the 2009 Annual General Meeting of AB Volvo