



## **AGENDA FOR THE ANNUAL GENERAL MEETING OF AB VOLVO (publ)**

**TUESDAY APRIL 4, 2017**

1. Opening of the Meeting

2. Election of Chairman of the Meeting

**Proposal by the Election Committee:**  
Mr Sven Unger, Attorney at law

3. Verification of the voting list

4. Approval of the agenda

5. Election of minutes-checkers and vote controllers

6. Determination of whether the Meeting has been duly convened

Notice to attend the meeting has been issued by announcement in Post- och Inrikes Tidningar on Friday March 3, 2017, and by the notice having been available on the Company's website since Wednesday March 1, 2017. The fact that notice has been issued has been advertised on Friday March 3, 2017 in Dagens Nyheter and Göteborgs-Posten.

7. Presentation of the work of the Board and Board committees

8. Presentation of the Annual Report and the Auditor's Report as well as the Consolidated Accounts and the Auditor's Report on the Consolidated Accounts. In connection therewith, speech by the President

9. Adoption of the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet

10. Resolution in respect of the disposition to be made of the Company's profits

**Proposal:**  
The Board of Directors and the President propose that the profits available to the Meeting be disposed of as follows:

To the shareholders, a dividend of  
SEK 3.25 per share in AB Volvo  
To be carried forward

SEK 6,602,589,682.00  
SEK 26,604,490,284.63  
SEK 33,207,079,966.63

It is proposed that the record date for determining who is entitled to receive dividends shall be Thursday April 6, 2017.

11. Resolution regarding discharge from liability of the members of the Board and of the President
12. Determination of the number of members and deputy members of the Board of Directors to be elected by the Meeting

**Proposal by the Election Committee:**

Eleven members and no deputy members.

All proposals made by the Election Committee and the information concerning the proposed directors and the statement explaining the proposals regarding the Board of Directors that according to the Swedish Corporate Governance Code shall be available on the company's website and a presentation of the activities carried out by the Election Committee are attached as Enclosure 1.

13. Determination of the remuneration to be paid to the Board members

**Proposal by the Election Committee:**

The Election Committee proposes that the Chairman of the Board will be awarded SEK 3,400,000 (3,250,000) and each of the other Board members elected by the Annual General Meeting SEK 1,000,000 (950,000) with the exception of the President. Furthermore, the Election Committee proposes that the Chairman of the Audit Committee will be awarded SEK 350,000 (300,000) and the other members of the Audit Committee SEK 160,000 (150,000) each and that the Chairman of the Remuneration Committee will be awarded SEK 140,000 (125,000) and the other members of the Remuneration Committee SEK 105,000 (100,000) each. The Election Committee finally proposes that for the new Volvo CE committee, the Chairman will be awarded SEK 175,000 and the other members of the Volvo CE committee SEK 150,000 each.

14. Election of the Board members

**Proposal by the Election Committee, members (re-election):**

For the period until the close of the next Annual General Meeting,

- 14.1 Matti Alahuhta
- 14.2 Eckhard Cordes
- 14.3 James W. Griffith
- 14.4 Martin Lundstedt
- 14.5 Kathryn V. Marinello
- 14.6 Martina Merz
- 14.7 Hanne de Mora
- 14.8 Håkan Samuelsson
- 14.9 Helena Stjernholm
- 14.10 Carl-Henric Svanberg
- 14.11 Lars Westerberg

The proposed persons have the assignments as shown in Enclosure 1.

The employee organizations have through separate elections designated the following

members:

Mats Henning (PTK)  
Mikael Sällström (LO)  
Lars Ask (LO)

deputy members:

Mari Larsson (PTK)  
Camilla Johansson (LO)

15. Election of the Chairman of the Board

**Proposal by the Election Committee:**

The Election Committee proposes re-election of Carl-Henric Svanberg as Chairman of the Board.

16. Election of members of the Election Committee

**Proposal by 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 instructions for the Election Committee:

- The Chairman of the Board of Directors
- Bengt Kjell, representing AB Industrivärden
- Lars Förberg, representing Cevian Capital
- Yngve Slyngstad, representing Norges Bank Investment Management
- Pär Boman, representing Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen

17. Resolution regarding amendment of the Instructions for the AB Volvo Election Committee

The Election Committee's proposal is attached hereto as Enclosure 1.

18. Resolution on the adoption of a Remuneration Policy for senior executives

The Board of Directors' proposal is attached hereto as Enclosure 2.

19. Proposals from the shareholder Henrik Munck

- 19.1 Policy for paying corporate tax in Sweden
- 19.2 Discontinuation of Blue Chip Jet and policy against the use of private jets
- 19.3 Review of so called "representation hunts" at the Rossared Estate
- 19.4 Report on the results of the employee survey
- 19.5 Development of the so called whistle blower function

- 19.6 Discontinuation of so called variable remuneration to senior executives of the Volvo Group
- 19.7 Policy to support the social contract
- 19.8 Change in the Articles of Association of AB Volvo

The complete proposals from the shareholder Henrik Munck's (in original language) are attached hereto as Enclosure 3.

## **Proposals by the Election Committee of AB Volvo to the Annual General Meeting 2017**

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

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

### **The Election Committee's proposal as regards the number of members and deputy members of the Board of Directors to be elected by the Annual General Meeting**

According to the Articles of Association, the Board of Directors is to comprise a minimum of six and a maximum of twelve members, with a maximum of an equal number of deputies. The Election Committee proposes that the number of Board members elected by the Annual General Meeting be eleven and that no deputies be elected.

### **The Election Committee's proposal as regards remuneration to be paid to the Board members**

The Election Committee proposes that the Chairman of the Board will be awarded SEK 3,400,000 (3,250,000) and each of the other members elected by the Annual General Meeting SEK 1,000,000 (950,000) with the exception of the President. Furthermore, the Election Committee proposes that the Chairman of the Audit Committee will be awarded SEK 350,000 (300,000) and the other members of the Audit Committee SEK 160,000 (150,000) each and that the Chairman of the Remuneration Committee will be awarded SEK 140,000 (125,000) and the other members of the Remuneration Committee SEK 105,000 (100,000) each. The Election Committee finally proposes that for the new Volvo CE-committee, the Chairman will be awarded SEK 175,000 and the other members SEK 150,000 each.

### **The Election Committee's proposal as regards election of Board members and Chairman of the Board**

The Election Committee proposes the re-election of Matti Alahuhta, Eckhard Cordes, James W. Griffith, Martin Lundstedt, Kathryn V. Marinello, Martina Merz, Hanne de Mora, Håkan Samuelsson, Helena Stjernholm, Carl-Henric Svanberg and Lars Westerberg.

The Election Committee proposes the re-election of Carl-Henric Svanberg as Chairman of the Board.

Information relating to the proposed Board members is presented below.

#### Carl-Henric Svanberg

Born 1952. MSc Eng., B.Sc. Business Administration.

Member of the Volvo Board since: Chairman since 2012.

Board Chairman: BP p.l.c.

Holdings in Volvo, own and related parties: 700,000 Series B Shares.

Principal work experience: Has held various positions at Asea Brown Boveri (ABB) and Securitas AB; President and CEO of Assa Abloy AB; President and CEO of Telefonaktiebolaget LM Ericsson; member of the External Advisory Board of the Earth Institute at Columbia University and the Advisory Board of Harvard Kennedy School.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence, the Election Committee is of the opinion that Carl-Henric Svanberg is independent of the company, company management and the company's major shareholders.

### Matti Alahuhta

Born 1952. MSc Eng. and DSc.

Member of the Volvo Board since: 2014

Board Chairman: DevCo Partners Oy and Outotec Corporation.

Board member: Kone Corporation and ABB Ltd.

Holdings in Volvo, own and related parties: 64,100 Series B Shares.

Principal work experience: Has held several management positions in the Nokia Group – President of Nokia Tele-communications, President of Nokia Mobile Phones and Chief Strategy Officer of the Nokia Group; President of Kone Corporation 2005-2014 and between 2006-2014 also CEO. Board Chairman of Aalto University until 2015. Board Chairman at the Confederation of Finnish Industries 2015-2016.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence, the Election Committee is of the opinion that Matti Alahuhta is independent of the company, company management and the company's major shareholders.

### Eckhard Cordes

Born 1950. MBA and PhD, University of Hamburg.

Partner in Cevian Capital and EMERAM Capital Partners. Member of the Executive Committee of Eastern European Economic Relations of German Industry.

Member of the Volvo Board since: 2015

Board Chairman: Bilfinger SE.

Holdings in Volvo, own and related parties: None.

Principal work experience: Started in 1976 with Daimler Benz AG, where he held several management positions, such as head of the trucks and buses business, Head of Group Controlling, Corporate Development and M&A in AEG AG and CEO of Mercedes Car Group. Previously CEO of Metro AG, senior advisor at EQT and Board member of Air Berlin, SKF, Carl Zeiss and Rheinmetall AG. Since 2012 partner in Cevian Capital and EMERAM Capital Partners respectively.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence, the Election Committee is of the opinion that Eckhard Cordes is independent of the company and company management. Since Cevian Capital Partners controls more than 10 percent of the votes in the company, Eckhard Cordes, due to his capacity as partner in Cevian Capital, is not considered independent of one of the company's major shareholders.

### James W. Griffith

Born 1954. BSc Industrial Engineering, MBA, Stanford University.

Member of the Volvo Board since: 2014

Board member: Illinois Tool Works Inc.

Holdings in Volvo, own and related parties: 20,000 Series B Shares.

Principal work experience: Began his career at The Timken Company in 1984, where he has held several management positions, such as responsible for Timken's bearing business activities in Asia, Pacific and Latin America and for the company's automotive business in North America. Until 2014, President and CEO of The Timken Company.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence, the Election Committee is of the opinion that James W. Griffith is independent of the company, company management and the company's major shareholders.

### Martin Lundstedt

Born 1967. MSc Eng.

President and CEO of AB Volvo. Member of the Royal Swedish Academy of Engineering Sciences.

Board Chairman: Partex Marking Systems AB and Permobil AB.

Board member: Concentric AB.

Holdings in Volvo, own and related parties: 36,447 Series B Shares.

Principal work experience: President and CEO of Scania 2012-2015. Prior to that, various managerial positions at Scania since 1992. Co-chairman of the UN Secretary-General's High-Level Advisory Group on Sustainable Transport 2015-2016.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence and the fact that Martin Lundstedt is the President of AB Volvo and CEO of the Volvo Group, the Election Committee is of the opinion that Martin Lundstedt is independent of the company's major shareholders but not of the company and company management.

#### Kathryn V. Marinello

Born 1956. BA from State University of New York at Albany, MBA from Hofstra University. President and CEO Hertz Global Holdings

Member of the Volvo Board since: 2014

Board member: Nielsen.

Holdings in Volvo, own and related parties: None.

Principal work experience: Has held several management positions at Citibank, Chemical Bank New York (now JP Morgan Chase), First Bank Systems and First Data Corporation; Division President General Electric Financial Assurance Partnership Marketing and Division President General Electric Fleet Services; President and CEO of Ceridian Corporation and subsequently also Chairman.

Chairman, President and CEO of Stream Global Services, Inc. Senior Advisor, Ares Management LLC.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence, the Election Committee is of the opinion that Kathryn V. Marinello is independent of the company, company management and the company's major shareholders.

#### Martina Merz

Born 1963. BS from University of Cooperative Education, Stuttgart.

Member of the Volvo Board since: 2015

Board member: NV Bekaert S.A., Deutsche Lufthansa AG and SAF Holland S.A. (vice chair).

Holdings in Volvo, own and related parties: 4,500 Series B Shares.

Principal work experience: Until January 2015, CEO of Chassis Brakes International. Has, during almost 25 years held various management positions in Robert Bosch GmbH, most recently as Executive Vice President Sales and Marketing in the Chassis System Brakes division combined with responsibility for regions China and Brazil and previously CEO of the subsidiary Bosch Closure Systems. Has also served as a member of the Board of Management of Brose Fahrzeugteile GmbH & Co.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence, the Election Committee is of the opinion that Martina Merz is independent of the company, company management and the company's major shareholders.

#### Hanne de Mora

Born 1960. BA in Economics from HEC in Lausanne, MBA from IESE in Barcelona.

Member of the Volvo Board since: 2010

Board Chairperson: a-connect (group) ag.

Board member: IMD Supervisory Board.

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

Principal work experience: Credit Analyst Den Norske Creditbank in Luxemburg 1984, various positions within brand management and controlling within Procter & Gamble 1986-1989, Partner McKinsey & Company, Inc. 1989-2002, one of the founders and owners, also Chairman of the Board of the global consulting firm and talent pool a-connect (group) ag since 2002.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence, the Election Committee is of the opinion that Hanne de Mora is independent of the company, company management and the company's major shareholders.

### Håkan Samuelsson

Born 1951. MSc Eng.

President and CEO of Volvo Car Group.

Board member: Teknikföretagen (Engineering companies).

Holdings in Volvo, own and related parties: 106,000 Series B Shares.

Principal work experience: Began his career in 1977 at Scania, where he stayed for more than 20 years. He held leading positions within Scania's technical division before he joined the executive board in 1996. Chairman & CEO of MAN Nutzfahrzeuge AG from 2000. Chairman & CEO of MAN AG from 2005-2009.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence, the Election Committee is of the opinion that Håkan Samuelsson is independent of the company, company management and the company's major shareholders. In its assessment, the Election Committee took into consideration the contractual dealings existing between the Volvo Group and Volvo Car Group.

### Helena Stjernholm

Born 1970. MSc Business Administration.

President and CEO of AB Industrivärden.

Holdings in Volvo, own and related parties: 8,000 Series B Shares.

Principal work experience: Between 1998-2015, partner in the private equity firm IK Investment Partners (former Industri Kapital) with responsibility for its Stockholm office. She was also a member of IK's Executive Committee. Helena has served in various positions with IK and prior to that worked as a consultant for Bain & Company.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence, the Election Committee is of the opinion that Helena Stjernholm is independent of the company and company management. Since AB Industrivärden controls more than 10 percent of the votes in the company, Helena Stjernholm, due to her capacity as President and CEO of AB Industrivärden, is not considered independent of one of the company's major shareholders.

### Lars Westerberg

Born 1948. MSc Eng., B.Sc. Business Administration.

Member of the Volvo Board since: 2007

Board member: SSAB Svenskt Stål AB, Sandvik AB and Stena AB.

Holdings in Volvo, own and related parties: 30,000 Series A Shares and 168,000 Series B Shares.

Principal work experience: Has held several positions within ASEA 1972-1984, several management positions, including President and CEO of ESAB AB 1984-1994. CEO of Gränges AB 1994-1999. Has extensive experience from the automotive industry, having served as President of Autoliv Inc. 1999-2007 and Chairman of Autoliv Inc. 2007-2011. Among other companies, former Board Chairman of Husqvarna AB, Vattenfall AB and Ahlsell AB.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence, the Election Committee is of the opinion that Lars Westerberg is independent of the company, company management and the company's major shareholders.

### Statement explaining the Election Committee's proposals regarding the Board remuneration and the Board members

#### *Proposal regarding Board remuneration*

The guiding principle for the remuneration to be paid to the members of the Board is that remuneration is to be competitive in order to ensure that Volvo can attract and retain the best possible expertise. Volvo Group is a global organization, meaning that it is of key importance that Volvo's Board can attract people from various parts of the world, who have experience from the various markets where Volvo operates. The assessment of what comprises competitive remuneration must be based on an international perspective.



Ahead of the Annual General Meeting 2017, the Election Committee has requested a thorough comparison of Board and Committee remuneration paid by international companies in the Nordics, Europe and the US. Furthermore, the Election Committee has, in its proposal, taken into account the specific fact that remuneration to the Board members has remained the same since 2014 and that the remuneration to the members of the Audit and Remuneration Committees has remained unchanged since 2011.

The Election Committee has, based on the results of this comparison, concluded that an increase in the remuneration in accordance with the proposal is justified.

The Election Committee is also of the opinion that an increase in remuneration to the Chairman of the Audit Committee is especially due, because of the increased work duties and the responsibility placed on the Audit Committee according to the new rules on auditors and audit, which came into effect during 2016.

In conclusion, the Election Committee is of the opinion that the proposed increase in remuneration to the Board's members elected by the Annual General Meeting and the Chairman, as well as the members of the Audit and Remuneration Committees, is well-founded.

#### *Proposal regarding the Board of Directors*

With respect to the Board composition, the Election Committee considers the skills and experience of the individual Board members and also assesses that the Board collectively should function well and possess the necessary breadth regarding both experience and knowledge. In particular, the Election Committee also considers the value of diversity and the balance between the need for renewal and continuity on the Board. In its efforts to achieve diversity, the Election Committee takes into account the particular importance of equal gender distribution.

Based on the assessment of current Board members, Chairman and the Board's work, which the Board has complied with support from external consultants in 2016, the Election Committee is of the opinion that the number of Board members is appropriate, that the Board functions well and, in its entire capacity, it possesses the skills and experience relevant to the Volvo Group.

Against this background, and taking the requirement for continuity and stability into account, the Election Committee sees no need to propose any changes to the composition of the Board.

To conclude, the Election Committee is of the opinion that the Board members must be in a position to dedicate enough time to their task as Board members, and therefore the Election Committee has specifically taken into account the extent of the proposed Board members' duties outside of Volvo. The Election Committee has made the assessment that the proposed Board members can dedicate the time required to fulfil their duty as Board members of Volvo.

### **The Election Committee's proposal as regards election of members of the Election Committee**

According to the instructions for the AB Volvo Election Committee, the Annual General Meeting is to elect five Committee members, of whom four are to represent the largest shareholders in the company based on votes, who have expressed their willingness to participate in the Election Committee. The fifth member to be elected by the Annual General Meeting is the Chairman of the Board.

In accordance with the above mentioned instructions, the Election Committee proposes that the Annual General Meeting elect the following individuals to serve as members of the Election Committee and resolve that no fees are to be paid to the members of the Election Committee:

The Chairman of the Board of Directors  
Bengt Kjell, representing AB Industrivärden  
Lars Förberg, representing Cevian Capital  
Yngve Slyngstad, representing Norges Bank Investment Management

Pär Boman, representing Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen

### **The Election Committee's proposal as regards changes to the instructions for Volvo's Election Committee**

The Election Committee proposes that the Annual General Meeting resolve to change the instructions for AB Volvo's Election Committee in accordance with Appendix 1. The proposed change is an adaption to the new rules on auditors and audit, which came into effect during 2016.

### **Presentation of the activities carried out by the Election Committee**

At the 2016 Annual General Meeting of AB Volvo, the following individuals were appointed to the Election Committee.

Carl-Henric Svanberg, Chairman of the Board  
Bengt Kjell, representing AB Industrivärden  
Lars Förberg, representing Cevian Capital  
Yngve Slyngstad, representing Norges Bank Investment Management  
Pär Boman, representing Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen

The Election Committee held its first meeting on June 1, 2016. The Election Committee held a total of five meetings. These meetings have mainly been devoted to an evaluation of the performance of the current Board and to evaluation and discussions of the fees to be paid to the Board members.

During its meetings, the Election Committee also discussed and formulated proposals to the Annual General Meeting 2017 concerning the Chairman of the Meeting and members of the Election Committee for 2017/2018, who are proposed as set forth in the instructions for the Election Committee. Furthermore, the Election Committee has reviewed the instructions for AB Volvo's Election Committee and the Election Committee's work and concluded that an updated is required due to the new rules on auditors and audit, which came into effect during 2016.

In relation to the composition of the Board, the provisions of rule 4.1 of the Swedish Corporate Governance Code have been applied as diversity policy and with regard to the objectives of that policy. This has resulted in the Election Committee's proposal to the Annual General Meeting regarding election of Board members.

The costs incurred in the Election Committee's discharge of its assignment amount to SEK 16,215.

February 2017

Election Committee for the 2017 Annual General Meeting of AB Volvo

INSTRUCTIONS FOR THE AB VOLVO ("THE COMPANY") ELECTION COMMITTEE,  
ADOPTED AT THE ANNUAL GENERAL MEETING ON APRIL 64, 20176

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*It follows from the Swedish Corporate Governance Code ("the Code") that companies that are subject to the Code shall have an Election Committee. The Election Committee is a body of the general meeting of shareholders that prepares decisions on certain appointments to be made by the shareholders at the general meeting of shareholders. The main task of the Election Committee is to propose candidates for election to the Board of Directors including the Chairman of the Board, election of members of the Election Committee and, where applicable, candidates for election of auditors. When nominating persons for election to the Board of Directors, the Election Committee shall, according to the Code, inter alia, determine whether, in its view, the persons nominated for election are considered to be independent of the company and its senior management as well as of major shareholders in the company. In addition, the Election Committee shall propose a candidate for election as Chairman of the general meeting of shareholders. The Election Committee also submit proposals concerning fees to the Chairman of the Board, the other Board members and the auditors, which fees are presented at the Annual General Meeting for resolution.*

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1. Appointment of the Election Committee
  - 1.1 The Annual General Meeting elects five members of the Election Committee. Four of these are to represent the largest shareholders in the Company, based on votes, who have expressed their willingness to participate in the Election Committee ("Large Shareholder"). In the election of these members, it shall be stated which Large Shareholder the member represents. One of the members is to be the Chairman of the Board of the Company.
  - 1.2 If a member represents a shareholder(s) that has/have sold the major part of its/their holding of Volvo shares and thereafter (i) is no longer to be considered a Large Shareholder and (ii) in terms of votes has become significantly smaller than the fourth largest shareholder in the Company measured in terms of votes, the Election Committee may decide that the member shall resign from the Election Committee. If such occurs, the Election Committee may, if it considers it appropriate, offer another representative of Large Shareholders a position on the Election Committee.

- 1.3 If a member's affiliation with the Large Shareholder ceases – for example, through termination of employment – the same Large Shareholder shall be entitled to appoint a new member to replace the previous member who no longer represents the Large Shareholder. This shall be effected through notice of such being sent from the Large Shareholder to the Chairman of the Election Committee (or, if it is the Chairman who is being replaced, to another member of the Election Committee) stating the name of the member being replaced and the name of the new member.
- 1.4 If a member leaves the Election Committee for some other reason, the Election Committee, if it so finds appropriate, may offer another representative of Large Shareholder(s) a position on the Election Committee. Notice of resignation is sent from the member to the Chairman of the Election Committee (or, if it is the Chairman who is resigning, to another member of the Election Committee).
- 1.5 The Election Committee may offer other major shareholders to appoint a representative as a member of the Election Committee so as to reflect in this manner the ownership in the Company. If such an offer is to be made it should be directed in turn to the largest shareholders in terms of voting rights not already being represented on the Election Committee. However, the number of members of the Election Committee may never exceed seven.
- 1.6 If the general meeting has not decided otherwise, the members of the Election Committee shall elect a chairman from within its number. The Chairman of the Board of the Company shall not be appointed as chairman of the Election Committee.
- 1.7 It is the task of the Election Committee to determine which shareholders should be considered as Large Shareholder(s) when applying sections 1.2 and 1.4 and as major shareholders when applying section 1.5.

## 2. Duties

The Election Committee shall have the following duties.

### 2.1 Board

- 2.1.1 The Election Committee shall make proposals regarding the Chairman and other members of the board as well as the board fee, for the chairman and other members, and any reimbursement for committee work.
- 2.1.2 The proposals of the Election Committee shall be presented to the Company well in advance in order for the proposal to be presented in the summons to the general meeting and at the same time be presented on the Company's website.
- 2.1.3 The Election Committee shall at the same time information is presented to the Company according to 2.1.2, also furnish the requisite information regarding the proposed board members in order for the Company to present the following information on the Company's website:
- year of birth, main education and work experience,
  - assignments in the Company and other assignments of importance,
  - shares and other financial instruments in the Company held by the person in question as well as related physical or legal entities,
  - whether, according to the Election Committee, the member is deemed to be independent of the Company, the Company management and major shareholders in the Company,
  - in conjunction with re-election, the year in which the member was elected to the board, and
  - other information that could be of importance to the shareholders in making an assessment of the proposed member's expertise and independence.
- 2.1.4 The Election Committee shall at the same time information is furnished to the Company according to 2.1.2 also provide an account of how the Election Committee has performed its work and a statement explaining its proposals regarding the board of directors with regard to the requirements concerning the composition of the board contained in Code rule 4.1 so that a report can be presented on the Company's website. The Election Committee is to provide

specific explanation of its proposals with respect to the requirement to strive for gender balance contained in rule 4.1. If the outgoing chief executive officer is nominated for the post of the chairman of the board, reasons for this proposal are also to be fully explained.

- 2.1.5 The Election Committee shall make a presentation at the general meeting and give reasons for its proposals, taking into consideration the requirements concerning the composition of the Board contained in Code rule 4.1. The Election Committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance.

## 2.2 Auditor

- 2.2.1 ~~If an auditor for the Company is to be elected the Election Committee shall present a proposal for election of and payment to the auditor. The Election Committee shall then use as a term of reference the preparation of the election made within the audit committee of the Company.~~ If and when the Election Committee shall present a proposal for election of and payment to the auditor, the Election Committee's proposal is to include the Audit Committee's recommendation. If the proposal differs from the alternative preferred by the Audit Committee, the reasons for not following the Audit Committee's recommendation are to be stated in the proposal. The auditor or auditors proposed by the Election Committee must have participated in the Audit Committee's selection process (if any).

- 2.2.2 The Company shall be notified of the Election Committee's proposal well in advance so that the proposal can be presented in the summons to the general meeting and at the same time be presented on the Company's website.

- 2.2.3 The Election Committee shall, at the same time information is furnished to the Company according to 2.2.2, also furnish the information necessary to allow the Company to provide information about circumstances that could be of significance to shareholders in making an assessment of the expertise and independence of the auditor proposed on the Company's website.

## 2.3 Chairman for the meeting

- 2.3.1 The Election Committee shall present a proposal for a chairman for the annual general meeting.
- 2.3.2 The Election Committee's proposal shall be presented to the Company well in advance so that the proposal can be presented in the summons to the meeting and at the same time be presented on the Company's website.

## **2.4 Members of the Election Committee**

- 2.4.1 Based on the shareholding statistics received by the Company from Euroclear Sweden AB as per the last bank day of January each year and the willingness of the largest shareholders thus identified to participate in the Election Committee, the Election Committee shall submit proposals for the members of the following year's Election Committee. The Election Committee may, however, take changes in the shareholding structure of the Company occurring after the last bank day of January into account, to the extent the Committee deems appropriate and practically possible.
- 2.4.2 In its proposal for the members of the following year's Election Committee, the Election Committee shall indicate which Large Shareholders the members represent.
- 2.4.3. The Election Committee's proposal shall be presented to the Company in adequate time so that the proposal can be included in the notice to attend the annual general meeting and at the same time be presented on the Company's website.

## **3. Meetings**

- 3.1 The Election Committee shall meet as often as necessary for the Election Committee to perform its duties. A summons to a meeting is sent out by the chairman of the Election Committee, however, to the first meeting this is done by the Chairman of the Board. If a member requests that the Election Committee be convened, this request shall be complied with.
- 3.2 The Election Committee shall form a quorum if more than half of the members are present – which, however, may not number fewer than three. No decisions

may be reached, however, unless all members, have been offered the opportunity to be involved in dealing with the matter.

- 3.3 A decision by the Election Committee applies when more than half of the members present vote for or, in the event of a tied vote, the opinion supported by the chairman.
- 3.4 At the Election Committee meetings minutes should be taken which are signed and verified by the chairman and the member appointed by the Election Committee. The minutes shall be taken and filed in the manner applicable to board minutes.
4. Confidentiality
  - 4.1 A member of the Election Committee is subject to a confidentiality obligation concerning the Company's business and this obligation shall, at the Company's request, be confirmed by the member through the signing of a special non-disclosure agreement between the member and the Company.
5. Fee and cost reimbursement
  - 5.1 A fee can be payable to the members of the Election Committee following a decision thereon at the general meeting.
  - 5.2 The members of the Election Committee are entitled to payment from the Company for reasonable, confirmed costs incurred in the discharge of the assignment as well as, for example, costs for recruitment services.
  - 5.3 The Election Committee shall, in conjunction with the presentation of the report on its work, report payments under this point.
6. Amendments to instruction
  - 6.1 The Election Committee shall evaluate these instructions and the work of the Election Committee on an ongoing basis and present a proposal at the general



meeting for changes to these instructions that the Election Committee has deemed appropriate.

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**POLICY ON REMUNERATION TO SENIOR EXECUTIVES, proposed by the Board of Directors of AB Volvo to be adopted by the Annual General Meeting 2017 (point 18 on the proposed agenda).**

The Board proposes that the Annual General Meeting resolves to adopt the following Remuneration Policy for senior executives.

This policy concerns the remuneration and other terms of employment for the members of the Volvo Group Executive Board ("Executives").

The remuneration and the other terms of employment of the Executives shall be competitive so that the Volvo Group can attract and retain competent Executives. The total remuneration to Executives consists of fixed salary, short-term and long-term incentives, pension and other benefits. Short-term and long-term incentives shall be linked to predetermined and measurable criteria relating to EBIT and cash flow targets for the Volvo Group, devised to promote the long-term value creation of the Volvo Group and strengthen the link between achieved performance targets and reward. The criteria for short-term and long-term incentives shall be determined by the Board annually.

Short-term incentive may, as regards the President & CEO, amount to a maximum of 100 % of the fixed salary and, as regards other Executives, a maximum of 80 % of the fixed salary.

Long-term incentive may, as regards the President & CEO, amount to a maximum of 100 % of the fixed salary and, as regards other Executives, a maximum of 80 % of the fixed salary. The long-term incentive program for the Group's top executives, including the Executives, is cash-based. Awards under the program, based on how well the performance targets are achieved, are disbursed in cash to the participants on the condition that they invest the net award in AB Volvo shares and that they retain the shares for at least three years. Any new share-based incentive program will, where applicable, be resolved by the General Meeting, but no such program is currently proposed.

For Executives resident in Sweden, the notice period upon termination by the company shall not exceed 12 months and the notice period upon termination by the Executive shall not exceed 6 months. In addition, in the event of termination by the company, the Executive may be entitled to a maximum of 12 months' severance pay.

Executives resident outside Sweden or resident in Sweden but having a material connection to or having been resident in a country other than Sweden may be offered notice periods for termination and severance payment that are competitive in the country where the Executives are or have been resident or to which the Executives have a material connection, preferably solutions comparable to the solutions applied to Executives resident in Sweden.

*Authority to decide on deviations from this policy*

The Board of Directors may deviate from this policy if there are special reasons to do so in an individual case.

*Additional information*

Executive compensation, which has been decided but which has not yet become due for payment by the time of the 2017 Annual General Meeting, falls within the scope of this policy. Additional information regarding remuneration is available in the Volvo Group Annual Report for 2016.

## AB Volvo årsstämma 4 april 2017 – anmälan av ärenden

Till:

AB Volvos styrelse

AB Volvo (publ)

Att: Nina Aresund

Corporate Legal

VHQ, Dept AA 14200

SE-405 08 Göteborg

Nedan är åtta (8) olika ärenden med förslag till beslut på AB Volvos årsstämma 4 april 2017.

Den övergripande bakgrunden är att Volvo behöver utvecklas till att bli ett mer hållbart företag för att kunna säkra lönsamhet och bolagets existens på sikt.

Jag begär härmed att dessa åtta (8) ärenden behandlas på AB Volvos årsstämma 4 april 2017.

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### 1. Hållbart företag – Policy för att betala bolagsskatt i Sverige

#### Bakgrund:

Grunden för den svenska demokratin och välfärdssamhället är att det finns en aktiv vilja att bidra till samhällets utveckling genom att betala skatt. Det gäller såväl privatpersoner som företag och andra organisationer. Ledande företrädare för samhället, och ledande företag, har ett extra stort ansvar i att föregå med gott exempel genom att visa på aktiv vilja att betala skatt.

Ett företag som är baserat i Sverige med stor del av verksamheten i Sverige bör därför aktivt vilja betala bolagsskatt i Sverige, om man vill kunna betraktas som ett hållbart företag.

#### AB Volvos årsstämma 2 april 2017 föreslås besluta:

- *Att AB Volvos bolagsstyrelse ges i uppdrag att utarbeta en policy för att AB Volvo aktivt ska verka för att betala bolagsskatt i Sverige. Att denna policy rapporteras till årsstämman 2018.*

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## 2. Hållbart företag – Avveckling av Blue Chip Jet och policy mot användning av ”private jets”

### Bakgrund:

För att bromsa klimatförändringarna och att världssamfundet ska lyckas hindra stora skador på livsförutsättningarna på vår planet så är minskade utsläpp från flyget en viktig del. När en enskild eller ett fåtal personer använder ett eget flygplan för långa resor så kan en enstaka resa orsaka mer utsläpp än vad som är hållbart att en människa genererar under sin livstid.

Det har i utredningar framkommit att det inom svenska storföretag förekommit oegentligheter i samband med utnyttjande av så kallade private jets.

### AB Volvos årsstämma 2 april 2017 föreslås besluta:

- *Att AB Volvos bolagsstyrelse ges i uppdrag tillsätta en oberoende granskning av företagets samlade användning av private jets sedan 2009, med fokus på totala kostnader för Volvokoncernen (inklusive ägandet i Blue Chip Jet), miljöpåverkan, och eventuella oegentligheter (liknande utredningen som gjordes kring SCA's private jets). Att denna utredning rapporteras till årsstämman 2018.*
- *Att AB Volvos bolagsstyrelse ges i uppdrag att utarbeta en policy för att ingen användning av private jets får förekomma inom Volvokoncernen. Att denna policy rapporteras till årsstämman 2018.*

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## 3. Hållbart företag – Granskning av så kallade representationsjakter på Rossareds Säteri

### Bakgrund:

Det har framkommit att det inom svenska storföretag kan ha förekommit oegentligheter såsom mutor eller skattebrott i samband med så kallade representationsjakter.

### AB Volvos årsstämma 2 april 2017 föreslås besluta:

- *Att AB Volvos bolagsstyrelse ges i uppdrag tillsätta en oberoende granskning av den samlade förekomsten och deltagande i så kallade representationsjakter sedan 2009, med fokus på totala kostnader för företaget inklusive verksamheten på Rossareds Säteri, och eventuella oegentligheter såsom mutor och skattebrott. Att denna utredning rapporteras till årsstämman 2018.*

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#### 4. Hållbart företag – Redovisning av resultat från medarbetarundersökning

##### Bakgrund:

”Att medarbetarna är företagets viktigaste tillgång” är en välkänd formulering av företagsledare. För att bedöma ett företag är det därför viktigt som aktieägare att få adekvat information om medarbetarna.

En stor ledande koncern som AB Volvo är även samhällspåverkande och normsättande, och företaget har därför ett särskilt ansvar i hur medarbetarnas situation och arbetsmiljö upplevs.

Volvokoncernens företrädare har vid upprepade tillfällen framhållit att ”öppenhet och förtroende” är ett viktigt förhållningssätt för företaget.

##### AB Volvos årsstämma 2 april 2017 föreslås besluta:

- *Att AB Volvos bolagsstyrelse ges i uppdrag att säkerställa att Års- och Hållbarhetsredovisningen from 2017 ska innehålla redovisning av resultat från medarbetarundersökningen nedbrutet på organisatoriska enheter som har 500 eller fler medarbetare. Att det för respektive enhet ska framgå vilka som är de fem mest positiva faktorerna samt vilka som är de fem mest angelägna förbättringsområdena som kan identifieras i medarbetarundersökningen.*

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#### 5. Hållbart företag – Utveckling av den så kallade Whistle blower-funtionen

##### Bakgrund:

År 2016 var året då ledande svenska storföretag förekom i omfattande oegentligheter som pengatvätt, mutor, kartellbildning mm. Och fordonsindustrin har globalt varit i fokus pga omfattande fusk kring uppfyllandet av miljölagstiftning.

Volvokoncernens företrädare har vid upprepade tillfällen framhållit att ”öppenhet och förtroende” är ett viktigt förhållningssätt för företaget. Medarbetarna är den resurs som kanske har störst möjlighet att identifiera och avslöja missförhållanden inom ett företag.

En Whistle blower-funktion kan vara ett verktyg som säkerställer att missförhållanden avslöjas, men felaktigt utformad kan denna funktion istället få motsatt verkan. Felaktigt utformad så kan i praktiken så kallade visselblåsare identifieras av företaget och utsättas för repressalier. Effekten av Whistle blower-funktionen kan då bli att oegentligheter istället tillåts fortsätta eller till och med öka i omfattning, då den medarbetare som vågat påtala problemen blir utsatt för repressalier och kanske i förlängningen blir uppsagd baserat på företagets egen berättelse. Detta ger då även en avskräckande verkan mot övriga medarbetare som överväger att rapportera oegentligheter.

En stor ledande koncern som AB Volvo är samhällspåverkande och normsättande, och företaget har därför ett särskilt ansvar i hur eventuella egentligheter hanteras inom företaget och vilket skydd som medarbetarna får i en Whistle blower-process.

**AB Volvos årsstämma 2 april 2017 föreslås besluta:**

- *Att AB Volvos bolagsstyrelse ges i uppdrag att under 2017 utveckla den så kallade Whistle blower-proceduren/processen så att en medarbetare garanteras att en oberoende utredning av en visselblåsning görs om medarbetaren så begär.  
Att den oberoende utredningen ska utföras av tredje part som står fri från övriga åtaganden gentemot Volvokoncernen.  
Att en skriftlig redovisning av utredningens frågeställningar och slutsatser ska rapporteras direkt från den oberoende utredaren till både företaget, facklig företrädare, och medarbetaren personligen, utan att företaget ges möjlighet att redigera innehållet i rapporten.*
  
- *Att AB Volvos bolagsstyrelse ges i uppdrag att säkerställa att Års- och Hållbarhetsredovisningen from 2017 ska innehålla redovisning av antalet anmälda visselblåsningar inom Volvokoncernen samt, när så är fallet, vilka principiella missförhållanden som avslöjats och korrigerats baserat på respektive års anmälningar till den så kallade Whistle blower-proceduren/processen.*

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**6. Hållbart företag – Avveckling av så kallad rörlig ersättning till ledande befattningshavare inom Volvokoncernen**

**Bakgrund:**

Det finns inget eller litet vetenskapligt belägg för att så kallad rörlig ersättning leder till bättre prestation bland ledande befattningshavare eller till bättre resultat i företagets verksamhet.

Tvärtom kan så kallad rörlig ersättning bidra till att ledande befattningshavare gör kortsiktiga och felaktiga prioriteringar. Rörlig ersättning kan även vara grogrund för en företagskultur där det blir mer fokus på att kortsiktigt redovisa efterfrågade siffror eller tom manipulera viktiga nyckeltal.

Rörlig ersättning tar bort fokus från vad som är viktigt för företagets långsiktiga utveckling.

**AB Volvos årsstämma 2 april 2017 föreslås besluta:**

- *Att AB Volvos bolagsstyrelse ges i uppdrag att from 2018 avveckla rörlig ersättning till ledande befattningshavare inom Volvokoncernen och ersätta detta system med en marknadsanpassad fast ersättning.*

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## **7. Hållbart företag – Policy för att stödja samhällskontraktet**

### **Bakgrund:**

Grunden för den svenska demokratin och välfärdssamhället är att deltidspolitiker kan kombinera jobb med politiska uppdrag. Det är deltidspolitiker som styr en stor andel av all offentlig verksamhet i Sverige.

Demokratiutredningen 2016 pekar på att privatanställda är kraftigt underrepresenterade bland politiker jämfört med befolkningens sammansättning. Utredningen pekar också på att ”problem med arbetsgivare” utgör det största skälet till att hoppa av politiska uppdrag (förutom flytt till annan kommun).

Trots existerande lagstiftning så går det att dra slutsatsen att privata företag i praktiken hindrar politiskt arbete. Ett företag är en sluten värld där enskilda medarbetare kan utsättas för sådan behandling att medarbetaren i praktiken hindras från att kunna kombinera jobbet med politiska uppdrag.

En stor ledande koncern som AB Volvo är samhällspåverkande och normsättande, och företaget har därför ett särskilt ansvar i att säkerställa samhällskontraktet, dvs att i bredare bemärkelse aktivt verka för att den svenska demokratin och det svenska samhället i stort ska kunna fungera och utvecklas på ett bra sätt.

### **AB Volvos årsstämma 2 april 2017 föreslås besluta:**

- *Att AB Volvos bolagsstyrelse ges i uppdrag att utarbeta en policy för att AB Volvo aktivt ska stödja möjligheten att kombinera jobb med politiska uppdrag, tex genom anpassning av arbetsuppgifter.  
Att denna policy ska innefatta att Volvokoncernen bör avstå från att kontakta en anställd medarbetare i hens egenskap av politiker, och inte heller utsätta hen för någon form av påverkan inom hens politiska ansvarsområden. Att denna policy rapporteras till årsstämman 2018.*
- *Att AB Volvos bolagsstyrelse ges i uppdrag att säkerställa att Års- och Hållbarhetsredovisningen from 2017 ska innehålla redovisning av antalet medarbetare inom Volvokoncernen som tar ut ledighet för att kunna utföra politiska uppdrag i Sverige.*

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## **8. Hållbart företag – Ändring av bolagsordning för AB Volvo**

### **Bakgrund:**

Bolagsordningen är det mest fundamentala instrumentet där aktieägaren kan påverka företagets verksamhet och utveckling.

AB Volvos bolagsordning anger idag att företaget bl.a. ska bedriva verksamhet inom affärsområdena transportmedel, livsmedel, energi, och finans.

Världen står inför större utmaningar än någonsin för att säkerställa att livsförutsättningarna på vår planet upprätthålls för kommande generationer.

Ur ett rent affärsmässigt perspektiv bör varje företag inrikta sin verksamhet på vad som är långsiktigt hållbart för vår planet.

Snabba politiska eller andra samhälleliga förändringar kan göra att ett företag som inte är inriktat på hållbarhet kan med kort varsel se grunden för sin existens försvinna.

### **AB Volvos årsstämma 2 april 2017 föreslås besluta:**

- *Att §2 i AB Volvos bolagsordning ändras till:  
Bolaget skall – direkt eller genom dotterbolag – bedriva verksamhet företrädesvis inom affärsområdena hållbara transportmedel, hållbar energi, och finans (dock ej verksamhet som stadgas i lagarna om bankrörelse och kreditmarknadsbolag), förvalta fast och lös egendom samt bedriva annan härmed förenlig verksamhet.*

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