

ANNUAL GENERAL MEETING  
OF AB VOLVO (publ)

Shareholders in AB Volvo (publ) are hereby invited to attend the Annual General Meeting in Göteborg, Lisebergshallen, entrance from Örgrytevägen, Wednesday, April 14, 2010, at 3:00 p.m.

Proposed agenda

Matters:

1. Opening of the Meeting
2. Election of Chairman of the Meeting
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
7. Presentation of the work of the Board and Board committees
8. Presentation of the Annual Report and the Auditors' Report as well as the Consolidated Accounts and the Auditors' Report on the Consolidated Accounts. In connection therewith, the President's account of the operations
9. Adoption of the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet
10. The disposition to be made of the Company's profits
11. The discharge of the members of the Board and of the President from liability
12. Determination of the number of members and deputy members of the Board of Directors to be elected by the Meeting
13. Determination of the remuneration to be paid to the Board members
14. Determination of the remuneration to be paid to the Auditors
15. Election of the Board of Directors
16. Election of Auditors and Deputy Auditors
17. Election of members of the Election Committee
18. Decision on the adoption of a Remuneration Policy for senior executives

Motions

**Point 2:** The Election Committee proposes Sven Unger, Attorney at law, to be the Chairman of the Meeting.

**Point 10:** The Board of Directors proposes that no dividends shall be paid, but that all retained earnings at the Annual General Meeting's disposal shall be carried forward.

**Point 12:** The Election Committee proposes nine members and no deputy members.

**Point 13:** The Election Committee proposes that the individual fees shall remain on the same level as during 2009. 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 in the Audit Committee SEK 125,000 each and the members of the Remuneration Committee SEK 75,000 each.

**Point 14:** The Election Committee proposes fees based on invoices for the audit of the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President.

**Point 15:** The Election Committee proposes re-election of Peter Bijur, Jean-Baptiste Duzan, Leif Johansson, Anders Nyrén, Louis Schweitzer, Ravi Venkatesan, Lars Westerberg and Ying Yeh and new election of Hanne de Mora. The Election Committee further proposes election of Louis Schweitzer as Chairman of the Board. A presentation of the candidates proposed by the Election Committee is available on AB Volvo's website; [www.volvokoncernen.se](http://www.volvokoncernen.se) or [www.volvogroup.com](http://www.volvogroup.com).

**Point 16:** The Election Committee proposes that the registered accounting firm, PricewaterhouseCoopers AB, is elected as auditors for a period of four years – until the close of the Annual General Meeting held during the fourth financial year after the election of auditor.

**Point 17:** The Election Committee proposes that Thierry Moulonguet, representing Renault s.a.s., Carl-Olof By, representing AB Industrivärden, Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen, Lars Förberg, representing Violet Partners LP, and the Chairman of the Board of Directors are elected members of the Election Committee and that no fees shall be paid to the members of the Election Committee.

**Point 18:** The Board proposes that the Annual General Meeting decides to adopt the following Remuneration Policy for senior executives.

This Policy concerns the remuneration and other terms of employment for the Group Executive Committee of the Volvo Group. The members of the Group Executive Committee, including the President and any possible Executive Vice President, are in the following referred to as the "Executives".

This Policy will be valid for employment agreements entered into after the approval of the Policy by the Annual General Meeting and for changes made to existing employment agreements thereafter.

### 1. Guiding principles for remuneration and other terms of employment

The guiding principle is that the remuneration and the other terms of employment for the Executives shall be competitive in order to ensure that the Volvo Group can attract and retain competent Executives.

The annual report 2009 sets out details on the total remuneration and benefits awarded to the Executives during 2009.

### 2. The principles for fixed salaries

The Executive's fixed salary shall be competitive and based on the individual Executive's responsibilities and performance.

### 3. The principal terms of variable salary and incentive schemes, including the relation between fixed and variable components of the remuneration and the linkage between performance and remuneration

The Executives may receive variable salaries in addition to fixed salaries. The variable salary may, as regards the President, amount to a maximum of 65% of the fixed annual salary and, as regards the other Executives, a maximum of 50% of the fixed annual salary.

The variable salary may be based on i.a. the performance of the entire Volvo Group or the performance of the Business Area or Business Unit where the Executive is employed. The performance will be related to the fulfilment of various improvement targets or the attainment of certain financial objectives. Such targets will be set by the Board and may relate to i.a. operating income or cash flow.

The Board will before each Annual General Meeting evaluate whether a share or share-price related incentive program shall be proposed to the Annual General Meeting or not. The Annual General Meeting decides upon such programs. The Board of Directors has decided not to propose to the Annual General Meeting 2010 to resolve on any share or share-based incentive program relating to the financial year 2010.

The Executives are also participating in Volvo's Profit Sharing Program (VPS), which applies to the majority of the Volvo Group's employees and which can give a maximum individual result of SEK 8,500 per year, provided AB Volvo's return on equity (ROE) amounts to 20% or more. Results under VPS are principally placed in Volvo shares and they can be disposed of on the individual level after three years, at the earliest.

#### 4. The principal terms of non-monetary benefits, pension, notice of termination and severance pay

##### 4.1 Non-monetary benefits

The Executives will be entitled to customary non-monetary benefits such as company cars and company health care. In addition thereto in individual cases company housing and other benefits may also be offered.

##### 4.2 Pension

In addition to pension benefits which the Executives are entitled to according to law and collective bargaining agreements, Executives resident in Sweden may be offered defined-contribution plans with annual premiums amounting to SEK 30,000 plus 20% of the pensionable salary over 30 income base amounts. In the defined-contribution plan, the pension earned will correspond to the sum of paid-in premiums and possible return without any guaranteed level of pension received by the employee. In the defined-contribution plan, no definite retirement date is set.

Some of the Executives have earlier been entitled to defined-benefit pension plans, but the majority of the Executives have re-negotiated these to the new system of defined-contribution plans. In connection therewith, agreements have in some cases been reached on individual adjusting premiums in accordance with actuarial calculations.

Previous pension agreements for certain Executives stipulated that early retirement could be obtained from the age of 60. Such agreements are no longer signed and the majority of the Executives that earlier were entitled to such defined-benefits pension plans have agreed to exchange these for defined-contribution plans without any defined point of time for retirement. The premium amounts to 10% of the pensionable salary plus individual adjusting premiums based on actuarial calculations in some cases.

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 pension benefits, that are competitive in the country in which the Executives are or have been resident or to which the Executives have a material connection, preferably defined contribution plans.

#### 4.3 Notice of termination and severance pay

For Executives resident in Sweden, the termination period from the Company will be 12 months and 6 months from the Executive. In addition thereto, the Executive, provided that termination has been made by the Company, will be entitled to 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.

#### 5. The Board's preparation and decision-making on issues concerning remuneration and other terms of employment for the Group Executive Committee

The Remuneration Committee is responsible for (i) preparing the Board's decisions on issues concerning principles for remuneration, remunerations and other terms of employment for Executives, (ii) monitoring and evaluating programs for variable remuneration, both ongoing and those that have ended during the year, for Executives, (iii) monitoring and evaluating the application of this Policy, and (iv) monitoring and evaluating current remuneration structures and levels in the Company.

The Remuneration Committee prepares and the Board decides on (i) terms of employment and remuneration of the President and the Executive Vice President, if any, and (ii) principles for remuneration (incl. pension and severance pay) for the Group Executive Committee. The Remuneration Committee shall approve proposals on remuneration of the members of the Group Executive Committee.

The Remuneration Committee is further responsible for the review and recommendation to the Board of share and share-price related incentive programs to be decided upon by the Annual General Meeting.

#### 6. Deviations from this Policy

The Board of Directors may deviate from this Policy, except as regards section 3, third paragraph, if there are specific reasons to do so in an individual case.

#### 7. Information on earlier decisions on remuneration that has not become due for payment at the time of the Annual General Meeting's consideration of this Policy

The decisions already taken on remuneration to the Executives that has not become due for payment at the time of the Annual General Meeting 2010 fall within the frames of this Policy, except that some of the Executives have a right to receive 24 months severance pay provided they are above 50 years of age.

**Annual Report, etc.**

The Annual report, the Auditor's Report, the Board's complete proposals in accordance with Point 18, as well as the Auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act will be available on AB Volvo's website; [www.volvokoncernen.se](http://www.volvokoncernen.se) or [www.volvogroup.com](http://www.volvogroup.com), and at AB Volvo's Headquarters, Amazonvägen, Göteborg, beginning March 31, 2010 at the latest. Further, the documents will be sent on request to such shareholders who provide their address.

**Right to participate in the Annual General Meeting**

Participation in AB Volvo's Annual General Meeting is limited to shareholders who are recorded as shareholders in the printout of the share register made on April 8, 2010 and who give notice of their intention to participate in the Annual General Meeting to AB Volvo no later than April 8, 2010.

**Registration in the share register**

AB Volvo's share register is maintained by Euroclear Sweden AB (formerly VPC AB). Only owner-registered shares are listed in the names of the shareholders in the share register. To be entitled to participate in the Annual General Meeting, owners of shares registered in the name of a trustee must have the shares registered in their own names. Shareholders who have trustee-registered shares should, several banking days prior to April 8, 2010, request temporary owner-registration, so-called voting-right registration, at the bank or broker holding the shares. Trustees normally charge a fee for this.

**The number of shares and votes**

On the record date deciding the right to participate in the Annual General Meeting (April 8, 2010), the total number of shares in the Company is 2,128,420,220, distributed among 677,601,630 series A shares and 1,450,818,590 series B shares and the total number of votes is 822,683,489. The Company holds 100,993,195 own shares, distributed among 20,728,135 series A shares and 80,265,060 series B shares, corresponding to 28,754,641 votes. The Company may not vote for mentioned own shares.

**Notice to AB Volvo**

Notice of intention to participate in the Annual General Meeting may be given

- by telephone, +46 8 402 90 76
- by mail addressed to AB Volvo (publ), "AGM", P.O. Box 7541, SE-103 98 Stockholm, Sweden
- on AB Volvo's website; [www.volvogroup.com](http://www.volvogroup.com)

In providing such notice, the shareholder should state

- name
- personal registration number (corporate registration number)
- address and telephone number
- name and personal registration number of the proxy, if any
- name(s) of any accompanying assistant(s)

Shareholders who wish to participate in the Annual General Meeting, must submit notice prior to expiration of the notice period, no later than April 8, 2010. The notice of intention to participate in the Annual General Meeting should have reached AB Volvo preferably before 12.00 noon Swedish local time. If you wish to be accompanied by an assistant, notification to this effect must be provided as specified above.

**Program for shareholders**

- 1:15 p.m. Liseberg's main entrance opens
- 1:30 p.m. Doors to Meeting hall open
- 3.00 p.m. Annual General Meeting begins

Hot dogs will be served at the entrance.

This advertisement is also available on  
[www.volvokoncernen.se](http://www.volvokoncernen.se) and [www.volvogroup.com](http://www.volvogroup.com)