

Proposals by the Election Committee of AB Volvo to the Annual General Meeting 2012

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 to be elected by the Annual General Meeting

The Election Committee proposes nine members and no deputy members.

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 is awarded SEK 2,100,000 and each of the other members elected by the Annual General Meeting SEK 700,000 with the exception of the President. Furthermore, it is proposed that the Chairman of the Audit Committee is awarded SEK 300,000 and the other members of the Audit Committee SEK 150,000 each and that the Chairman of the Remuneration Committee is awarded SEK 125,000 and the other members of the Remuneration Committee SEK 100,000 each.

The Election Committee's proposal as regards Board members

Louis Schweitzer has informed the Election Committee that he will not stand for re-election. The Election Committee proposes re-election of Peter Bijur, Jean-Baptiste Duzan, Hanne de Mora, Anders Nyrén, Olof Persson, Ravi Venkatesan, Lars Westerberg and Ying Yeh. The Election Committee further proposes new election of Carl-Henric Svanberg.

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

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

Carl-Henric Svanberg

Born 1952. Master of Science, Bachelor of Science in Business Administration.

Board Chairman: BP plc.

Board member: Telefonaktiebolaget LM Ericsson.

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 at Securitas AB; President and Chief Executive Officer of Assa Abloy AB; President and Chief Executive Officer of Telefonaktiebolaget LM Ericsson; member of the Steering Committee of the UN's Global Alliance for Information and Communication Technologies and Development (GAID); 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 Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Carl-Henric Svanberg is independent of the company, the company management and the company's major shareholders.

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 Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Peter Bijur is independent of the company, the company management and the company's major shareholders.

Jean-Baptiste Duzan

Born 1946. Graduate at the Ecole Polytechnique.

Senior Advisor Lazard Frères.

Member of the Volvo Board since: 2009, member of the Audit Committee.

Board Member: Nissan Motor Co. Ltd.

Holdings in Volvo, own and related parties: 1,000 Series B shares.

Principal work experience: Began his career at Citibank. Has held various positions within Renault since 1982 - director of financial services at Renault V.I.; director of financial operations; project director for the car model Safrane; Senior Vice President, Purchasing; and joined the Renault Management Committee. He was also named Chairman and Managing Director, Renault Nissan Purchasing Organization.

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Jean-Baptiste Duzan is independent of the company and the company management. Jean-Baptiste Duzan is considered to have such a relationship with Renault that he is not to be regarded as independent thereof. Since Renault s.a.s. controls more than 10 per cent of the votes in Volvo, he may not in the Election Committee's opinion be considered as independent of one of 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 Chairman: a-connect (group) ag.

Board Member: Sandvik AB, IMD Foundation 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 management company a-connect (group) ag since 2002.

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

Anders Nyrén

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

President and Chief Executive Officer of AB Industrivärden.

Member of the Volvo Board since: 2009, member of the Remuneration Committee.

Board Chairman: Sandvik AB

Vice Chairman: Svenska Handelsbanken.

Board Member: AB Industrivärden, Ernströmgruppen AB, SSAB, Svenska Cellulosa Aktiebolaget SCA, Telefonaktiebolaget LM Ericsson, Stockholm School of Economics and SSE Association.

Holdings in Volvo, own and related parties: 5,200 Series B Shares.

Principal work experience: Has worked for AB Wilhelm Becker. He has held various positions within STC - Controller, Executive Vice President and CFO, and President of STC Venture AB; President and Chief Executive Officer at OM International AB; Executive Vice President and CFO at Securum; Director with executive responsibility for Markets and Corporate Finance at Nordbanken; Executive Vice President and CFO at Skanska.

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Anders Nyrén is independent of the company and the company management. Anders Nyrén is Chief Executive

Officer of AB Industrivärden, and is as such considered not to be independent thereof. Since AB Industrivärden controls more than 10 per cent of the votes in Volvo, he may not in the Election Committee's opinion be considered as independent of one of the company's major shareholders.

Olof Persson

Born 1964. Bachelor of Science in Business Administration and Economics.

President of AB Volvo and Chief Executive Officer of the Volvo Group since September 1, 2011.

Member of the Volvo Board since: 2011

Holdings in Volvo, own and related parties: 56,344 Series B Shares.

Principal work experience: Started his career at ABB; has held various positions within AdTranz and Bombardier; president of Division Mainline and Metros in Bombardier; president of Volvo Aero; president of Volvo Construction Equipment.

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence and that Olof Persson is Volvo's CHIEF EXECUTIVE OFFICER, the Election Committee considers Olof Persson independent of the company's major shareholders but not of the company and company management.

Ravi Venkatesan

Born 1963. MBA Harvard Business School and Master of Science Industrial Engineering Purdue University.

Member of the Volvo Board since: 2008.

Board member: Infosys Ltd., Advisory Board of Bunge Inc., Non Profit Advisory Board Harvard Business.

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

Principal work experience: Several leading positions within the American engine manufacturer Cummins. Chairman of Microsoft India and responsible for Microsoft's marketing, operational and business development efforts in India.

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

Lars Westerberg

Born 1948. Master of Science Engineering, Bachelor Business Administration.

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

Board Chairman: Husqvarna AB.

Board member: SSAB, Sandvik AB and Stena AB.

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

Principal work experience: President and Chief executive Officer of Gränges AB, ESAB AB and Autoliv Inc.

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

Ying Yeh

Born 1948. BA, Literature & International Relations.

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

Board member: ABB Ltd.

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, latest as President and Chairman, North Asia Region. Chairman for Nalco Greater China Region.

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance

regarding the Board's independence, the Election Committee is of the opinion that Ying Yeh is independent of the company, the company management and the company's major shareholders.

Statement explaining the proposals regarding the Board of Directors

Based on information provided to the Election Committee by the Chairman of the Board regarding evaluation of the current Board of Directors and its work, the Election Committee considers that the number of Directors is appropriate and that the Board collectively has diversity and the breadth of qualifications, experience and background required by the Company's operations and that the Board of Directors is well functioning. Louis Schweitzer has however informed the Election Committee during 2011 that he would not stand for re-election in 2012. In view thereof, the Election Committee proposes re-election of the other eight Board members and new election of Carl-Henric Svanberg as Board member and Chairman of the Board.

The Election Committee is of the opinion that Carl-Henric Svanberg, considering his long and profound experience as President of large, international companies and as Chairman of one of the world's largest companies, possesses broad and valuable knowledge and experience of governance of large global groups and that he is thus well suited to take over the position as Chairman of the Board of Directors of AB Volvo.

The guiding principle for the remuneration to be paid to the members of the Board is that remuneration shall be competitive in order to ensure that Volvo can attract and retain competent Board members. In view of Volvo's global presence it is further essential that Volvo can attract people from different parts of the world with experience from the many different markets where Volvo is active. It is therefore important that the Board remuneration is set at a level that enables Volvo to recruit the best possible international competence to the Board of Directors. In order to be competitive at an international level, the Election Committee considers that the remuneration to be paid to the Board members should be raised as proposed to the Annual General Meeting.

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:

The Chairman of the Board of Directors
Carl-Olof By, representing AB Industrivärden
Jean-Baptiste Duzan, representing Renault s.a.s.
Lars Förberg, representing Violet Partner LP
Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen

Presentation of the activities carried out by the Election Committee

At the 2011 Annual General Meeting of shareholders in AB Volvo, the following were appointed to the Election Committee.

Louis Schweitzer, Chairman of the Board
Carl-Olof By, representing AB Industrivärden
Jean-Baptiste Duzan, representing Renault s.a.s.
Lars Förberg, representing Violet Partners LP
Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen

The Election Committee held its first meeting on June 23, 2011, at which Carl-Olof By was appointed Chairman.

The Election Committee has held in total five 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 recruitment of a new chairman in view of the information from Louis Schweitzer's that he would not stand for re-election in 2012 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 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.

The Election Committee has concluded that the current Board is well functioning and possesses broad and valuable experience and competence. In view thereof and for the sake of continuity and stability the Election Committee proposes re-election of the eight present Board members available for re-election. In the process of recruiting a new chairman the Election Committee has considered several different candidates and after thorough evaluations the Committee proposes to elect Carl-Henric Svanberg as new Board member and Chairman.

During the year, the Election Committee has engaged the international recruitment consultant Egon Zehnder International to conduct a benchmark study of remuneration paid to Board members in international companies comparable to Volvo, situated both in Sweden and outside Sweden. Based on the outcome of such benchmark study the Committee has concluded that the remuneration paid to the members of the Volvo Board is lower than the Board remuneration paid in comparable companies situated in many European countries and in the USA. Since it is important for a global group like Volvo to be able to attract individuals with international experience from the many markets where Volvo is present the Election Committee is of the opinion that the fees paid to the members of the Volvo board needs to be competitive from an international perspective. The Election Committee has therefore decided to propose to raise the Board fees to a level which, however, still is considerably lower than in many European countries and in the U.S.

At the Election Committee's meetings, the Committee also discussed and formulated proposals to the 2012 Annual General Meeting as regards the Chairman of the Annual General Meeting and the members of the Election Committee 2012/2013, 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 29,569.

February 2012

Election Committee for the 2012 Annual General Meeting of AB Volvo