



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

THURSDAY APRIL 4, 2013

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 Wednesday February 27, 2013, and by the notice having been available on the company's website since Wednesday February 27, 2013. The fact that notice has been issued has been advertised on Wednesday February 27, 2013 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 Auditors' Report as well as the Consolidated Accounts and the Auditors' 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 3.00 per share in AB Volvo	SEK 6,083,701,614.00
To be carried forward	SEK <u>25,262,158,131.55</u> SEK 31,345,859,745.55

It is proposed that the record date for determining who is entitled to receive dividends shall be Tuesday April 9, 2013.

The Board of Directors' statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act (2005:551) is attached as Enclosure 1.

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:

Nine 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 2.

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 is awarded SEK 2,250,000 and each of the other Board members elected by the Annual General Meeting SEK 750,000 with the exception of the President. Furthermore, it is proposed that the Chairman of the Audit Committee is awarded SEK 300,000, the other members in 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.

14. Election of the Board members and Chairman of the Board

Proposal by the Election Committee, members:

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

re-election of:

Peter Bijur,
Jean-Baptiste Duzan,
Hanne de Mora,
Anders Nyrén,
Olof Persson,
Carl-Henric Svanberg,
Ravi Venkatesan,
Lars Westerberg and
Ying Yeh.

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

The proposed persons have the assignments as shown in [Enclosure 3](#).

The employee organizations have through separate elections designated the following

members:

Peteris Lauberts (PTK)

Mikael Sällström (LO)

Berth Thulin (LO)

deputy members:

Lars Ask (LO)

Hans Hansson (PTK)

15. 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
- Carl-Olof By, representing AB Industrivärden
- Lars Förberg, representing Violet Partners LP
- Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen
- Yngve Slyngstad, representing Norges Bank Investment Management

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

The Board of Directors' proposal is attached hereto as [Enclosure 4](#).

17. Resolution on the Board of Directors' proposal for an amendment of the Articles of Association

The Board of Directors' proposal is attached hereto as [Enclosure 5](#).

18. Resolution on shareholder's proposal for an amendment of the Articles of Association

The shareholder Carl Axel Bruno's proposal is attached hereto as [Enclosure 6](#).

19. Resolution on shareholder's proposal for increasing apprenticeships

The shareholder Charles Croydon has withdrawn his proposal.

The Board of Directors' statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act (2005:551)¹

In view of the Board of Directors' proposal to the Annual General Meeting to be held April 4, 2013 to decide on the distribution of a dividend of SEK 3.00 per share, the Board hereby makes the following statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act.

The Board of Directors concludes that the Company's restricted equity is fully covered after the proposed dividend. The Board further concludes that the proposed dividend is justifiable in view of the parameters set out in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act. In connection herewith, the Board wishes to point out the following.

The proposed dividend reduces the Company's solvency from 54.2 per cent to 50.2 per cent and the Group's solvency from 25.7 per cent to 24.3 per cent, calculated as per year end 2012. The Board of Directors considers this solvency to be satisfactory with regard to the business in which the Group is active.

According to the Board of Directors' opinion, the proposed dividend will not affect the Company's or the Group's ability to fulfil their payment obligations and the Company and the Group are well prepared to handle both changes in the liquidity and unexpected events.

The Board of Directors is of the opinion that the Company and the Group have capacity to assume future business risks as well as to bear contingent losses. The proposed dividend is not expected to adversely affect the Company's and the Group's ability to make further commercially justified investments in accordance with the Board of Directors' plans.

In addition to what has been stated above, the Board of Directors has considered other known circumstances which may be of importance for the Company's and the Group's financial position. In doing so, no circumstance has appeared that does not justify the proposed dividend.

If the Annual General Meeting resolves in accordance with the Board of Directors' proposal, SEK 25,262,823,117.55 will remain of the Company's non-restricted equity, calculated as per year end 2012.

The Board of Directors has the view that the Company's and the Group's shareholders' equity will, after the proposed dividend, be sufficient in relation to the nature, scope and risks of the business.

¹ The Board of Directors' statement was given on February 21, 2013, when the number of outstanding shares was 2,027,678,876. Due to transfers of treasury shares to participants in Volvo's long-term, share-based incentive program, carried out thereafter, the number of outstanding shares and the total dividend amount has changed as follows from the agenda.

Proposals by the Election Committee of AB Volvo to the Annual General Meeting 2013

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 2,250,000 and each of the other members elected by the Annual General Meeting SEK 750,000 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

The Election Committee proposes re-election of Peter Bijur, Jean-Baptiste Duzan, Hanne de Mora, Anders Nyrén, Olof Persson, Carl-Henric Svanberg, Ravi Venkatesan, Lars Westerberg and Ying Yeh.

The Election Committee proposes re-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.

Member of the Volvo Board since: Chairman since April 4, 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 at Securitas AB; President and Chief Executive Officer of Assa Abloy AB; President and Chief Executive Officer 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, 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

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 Corporate Governance Code 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

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.; Finance director of Renault credit ; 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. He was then named Group Controller.

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 Jean-Baptiste Duzan is independent of the company, the 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 Chairman: a-connect (group) ag.

Board Member: Sandvik AB and 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 Corporate Governance Code 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

Board Chairman: Sandvik AB

Vice Chairman: Svenska Handelsbanken.

Board Member: AB Industrivärden, Ernströmgruppen AB, SSAB Svenskt Stål AB, 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 Corporate Governance Code 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

President and 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.

Member of the Volvo Board since: 2011

Board Chairman: The German-Swedish Chamber of Commerce.

Board Member: The Confederation of Swedish Enterprise and the Swedish-American Chamber of Commerce.

Holdings in Volvo, own and related parties: 76,037 Series B Shares.

Principal work experience: Began his career at ABB; has held a number of executive positions at AdTranz and Bombardier; president of Volvo Aero; president of Volvo Construction Equipment.

Independence: Considering the demands laid down in the Swedish Corporate Governance Code regarding the Board's independence and that Olof Persson is the President of AB Volvo and Chief Executive Officer of the Volvo Group, the Election Committee considers that Olof Persson is 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.

Director Truepoint Center in Boston

Member of the Volvo Board since: 2008

Board member: Infosys Ltd., Babajobs Pvt. Ltd., Advisory Board of Bunge Inc. and Non Profit Advisory Board Harvard Business School.

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 Corporate Governance Code 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.

Board Chairman: Husqvarna AB.

Board member: SSAB Svenskt Stål AB, Sandvik AB, Meda 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 Corporate Governance Code 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.

Board member: ABB Ltd., Samsonite International S.A. and InterContinental Hotels Group PLC.

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.

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 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.

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

In view of Renault s.a.s.' recent sale of its entire holding in Volvo the ownership structure of the company has changed. According to the instructions for the AB Volvo Election Committee the Annual General Meeting shall elect five Committee members, whereof four shall 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 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:

The Chairman of the Board of Directors
Carl-Olof By, representing AB Industrivärden
Lars Förberg, representing Violet Partner LP
Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen
Yngve Slyngstad, representing Norges Bank Investment Management

Presentation of the activities carried out by the Election Committee

At the 2012 Annual General Meeting of shareholders in AB Volvo, the following were appointed to the Election Committee.

Carl-Henric Svanberg, 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 8, 2012, at which Carl-Olof By was appointed Chairman.

The Election Committee has held in total seven 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 possible need to undertake new recruitment and discussions regarding the fees to be paid to the Board members.

The Election Committee has concluded that the current Board is well functioning both in terms of size and competence and that it possesses broad and valuable experience and knowledge. In view thereof and for the sake of continuity and stability the Election Committee proposes that the Board shall continuously comprise nine members and that the present Board members should be re-elected.

It is however in the long-term perspective important to prepare for succession of present board members. In the process of recruiting new board members the Election Committee has engaged the international recruitment firm Korn/Ferry International to assist investigating and evaluating possible candidates.

During the year, the Election Committee has conducted a benchmark study of remuneration paid to Board members in international companies comparable to Volvo, situated both in Sweden and outside Sweden. The benchmark was partly performed by the international consultant firm Egon Zehnder International. 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 need to be competitive from an international perspective. The Election Committee has therefore decided to propose to raise the Board fees as proposed to the Annual General Meeting.

In view of the recent changes in Volvo's ownership structure the Election Committee has devoted some time to finalize a proposal to the 2013 Annual General Meeting as regards the members of the Election Committee 2013/2014. The Election Committee has also discussed and formulated a proposal concerning the Chairman of the Annual General Meeting

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 2,357,029.28.

February 2013

Election Committee for the 2013 Annual General Meeting of AB Volvo

Carl-Henric Svanberg

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

Member of the Volvo Board since: Chairman since April 4, 2012

Board Chairman: BP p.l.c.

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 External Advisory Board of the Earth Institute at Columbia University and the Advisory Board of Harvard Kennedy School.

Peter Bijur

Born 1942. MBA Marketing, BA Political Science.

Member of the Volvo Board since: 2006

Board member: Gulfmark Offshore Inc.

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

Jean-Baptiste Duzan

Born 1946. Graduate at the Ecole Polytechnique.

Senior Advisor Lazard Frères.

Member of the Volvo Board since: 2009

Board Member: Nissan Motor Co. Ltd.

Principal work experience: Began his career at Citibank. Has held various positions within Renault since 1982 - director of financial services at Renault V.I.; Finance director of Renault credit ; 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. He was then named Group Controller.

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 and IMD Foundation Board.

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.

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

Board Chairman: Sandvik AB and Svenska Handelsbanken.

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

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.

Olof Persson

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

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

Member of the Volvo Board since: 2011

Board Chairman: The German-Swedish Chamber of Commerce.

Board Member: The Confederation of Swedish Enterprise and the Swedish-American Chamber of Commerce.

Principal work experience: Began his career at ABB; has held a number of executive positions at AdTranz and Bombardier; president of Volvo Aero; president of Volvo Construction Equipment.

Ravi Venkatesan

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

Director Truepoint Center in Boston

Member of the Volvo Board since: 2008

Board member: Infosys Ltd., Babajobs Pvt. Ltd., Advisory Board of Bunge Inc. and Non Profit Advisory Board Harvard Business School.

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.

Lars Westerberg

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

Member of the Volvo Board since: 2007.

Board Chairman: Husqvarna AB.

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

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

Ying Yeh

Born 1948. BA, Literature & International Relations.

Member of the Volvo Board since: 2006.

Board member: ABB Ltd., Samsonite International S.A. and InterContinental Hotels Group PLC.

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.

POLICY ON REMUNERATION TO SENIOR EXECUTIVES, proposed by the Board of Directors of AB Volvo to be adopted by the Annual General Meeting 2013 (point 16 on the proposed agenda).

This Policy concerns the remuneration and other terms of employment for the Volvo Group Executive Team. The members of the Volvo Group Executive Team, including the President and any possible Deputy 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 2012 sets out details on the total remuneration and benefits awarded to the Executives during 2012.

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 75% of the fixed annual salary and, as regards the other Executives, a maximum of 60% of the fixed annual salary.

The variable salary may be based on inter alia the performance of the entire Volvo Group or the performance of a certain part of the Group 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 inter alia operating income, operating margin or cash flow. The Board may under certain conditions decide to reclaim variable salary already paid or to cancel or limit variable salary to be paid to the Executives.

The Annual General Meeting 2011 decided to adopt a share-based incentive program for senior executives in the Volvo Group relating to the financial years 2011, 2012 and 2013. Therefore, the Board has decided not to propose any share-based incentive program to the Annual General Meeting to be held in April 2013.

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 two different defined-contribution plans with annual premiums. For the first plan the annual premiums amount to SEK 30,000 plus 20% of the pensionable salary over 30 income base amounts and for the second plan the annual premiums amount to 10% of pensionable salary. In the two defined-contribution plans, 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. Further no definite retirement date is set in the two plans but premiums will be paid for the employee until his or her 65th birthday.

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 where 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 Volvo Group Executive Team

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 Deputy President, if any, and (ii) principles for remuneration (incl. pension and severance pay) for the Executives. The Remuneration Committee shall approve proposals on remuneration of the members of the Volvo Group Executive Team.

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 Authority to decide on deviations from this Policy

The Board of Directors may deviate from this Policy 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 2013 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 and that some of the Executives are entitled to defined-benefit pension plans stipulating pension payments starting from the age of 65 with the possibility to receive part of the pension payment from the age of 60.

The Board of Directors' of AB Volvo proposal to the Annual General Meeting 2013 concerning the amendment of the Articles of Association (point 17 on the proposed agenda).

The Board of Directors of AB Volvo proposes that the Annual General Meeting decides that a new second sentence shall be included in the first paragraph of § 6 in the Articles of Association as outlined below:

Existing wording of § 6 first paragraph	Proposed wording of § 6 first paragraph (<i>new second sentence in italics</i>)
The Company shall appoint a minimum of two and a maximum of three auditors and a minimum of two and a maximum of three deputy auditors or a registered firm of auditors.	The Company shall appoint a minimum of two and a maximum of three auditors and a minimum of two and a maximum of three deputy auditors or a registered firm of auditors. <i>The appointment as auditor shall apply until the close of the annual general meeting held during the fourth financial year after the appointment of the auditor.</i>

The shareholder Carl Axel Bruno's proposal to the Annual General Meeting 2013 concerning the amendment of the Articles of Association (point 18 on the proposed agenda).

The shareholder Carl Axel Bruno proposes that the Annual General Meeting resolves that the following amendment is made to the Articles of Association.

Unauthorized translation of Swedish original

AB Volvo Board
Amazonvägen
418 78 Göteborg

VÄLLINGBY November 16, 2012

Re: my proposal to the 2013 General Meeting of AB Volvo, to add a new stipulation in the Articles of Association concerning gender quotas to the company's board of directors.

I think that the text I proposed should be clarified in a mathematic sense and that the word "minimum" should be added to the text as follows:

The Board shall consist of at least one fourth men and one fourth women. The minimum number of male candidates and the minimum number of female candidates shall be increased to the nearest whole number.

With my previous proposal, it could be interpreted that if the general meeting wanted to have 9 board members, then the total number of board members would be 10, which wasn't my intention.

The intention with my proposal is to clarify the institutional shareholder's approach in this matter.

Best regards,

Carl Axel Bruno

