

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