



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

WEDNESDAY APRIL 1, 2015

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 Monday March 2, 2015, and by the notice having been available on the company's website since Monday March 2, 2015. The fact that notice has been issued has been advertised on Monday March 2, 2015 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 6,089,823,870.00
SEK 3.00 per share in AB Volvo	
To be carried forward	<u>SEK 22,305,365,538.92</u>
	SEK 28,395,189,408.92

It is proposed that the record date for determining who is entitled to receive dividends shall be Tuesday April 7, 2015.

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:

Ten 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 Board remuneration remains unchanged, meaning that the Chairman of the Board is awarded SEK 3,250,000 and each of the other Board members elected by the Annual General Meeting SEK 950,000 with the exception of the President. Furthermore, the Election Committee proposes that the remuneration for Board Committee work remains unchanged, meaning 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:

Matti Alahuhta,
James W. Griffith,
Kathryn V. Marinello,
Hanne de Mora,
Anders Nyrén,
Olof Persson,
Carl-Henric Svanberg, and
Lars Westerberg.

new election of:

Eckhard Cordes
Martina Merz

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

The proposed persons have the assignments as shown in [Enclosure 2](#).

The employee organizations have through separate elections designated the following

members:

Mats Henning (PTK)
Mikael Sällström (LO)
Berth Thulin (LO)

deputy members:

Lars Ask (LO)

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 Cevian Capital
- Yngve Slyngstad, representing Norges Bank Investment Management
- Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen

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

The Board of Directors' proposal is attached hereto as [Enclosure 3](#).

Proposals by the Election Committee of AB Volvo to the Annual General Meeting 2015

The Election Committee's proposal as regards election of 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 an increase in the number of Board members elected by the Annual General Meeting from previous nine to ten 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 Board remuneration remains unchanged, meaning that the Chairman of the Board is awarded SEK 3,250,000 and each of the other members elected by the Annual General Meeting SEK 950,000 with the exception of the President. Furthermore, the Election Committee proposes that the remuneration for the Board Committee work remains unchanged, meaning 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 election of Board members and Chairman of the Board

Jean-Baptiste Duzan will not stand for re-election. The Election Committee proposes re-election of Matti Alahuhta, James W. Griffith, Kathryn V. Marinello, Hanne de Mora, Anders Nyrén, Olof Persson, Carl-Henric Svanberg and Lars Westerberg. The Election Committee proposes new election of Eckhard Cordes and Martina Merz.

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, 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 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.

Matti Alahuhta

Born 1952. MSc and DSc.

Member of the Volvo Board since: 2014

Board Chairman: DevCo Partners Oy, Outotec Corporation, Aalto University Foundation and Confederation of Finnish Industries.

Board member: ABB Ltd., Kone Corporation and UPM-Kymmene Corporation.

Holdings in Volvo, own and related parties: 42,300 Series B shares

Principal work experience: Has held several management positions in the Nokia Group – President of Nokia Telecommunications, President of Nokia Mobile Phones and Chief Strategy Officer of the Nokia Group; President of Kone Corporation between 2005-2014 and between 2006-2014 also Chief Executive Officer.

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, the 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. Chairman of the Committee of Eastern European Economic Relations of German Industry.

Board Chairman: Bilfinger SE.

Holdings in Volvo, own and related parties: None.

Principal work experience: Started with Daimler Benz AG, where he has 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 the company management. Since Cevian Capital Partners controls more than 10 per cent 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. BS and 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 Chief Executive Officer at 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, the company management and the company's major shareholders.

Kathryn V. Marinello

Born 1956. BA, State University of New York at Albany and MBA, Hofstra University.

Senior Advisor, Ares Management LLC.

Member of the Volvo Board since: 2014

Board member: General Motors Company and 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 Chief Executive Officer at Ceridian Corporation and subsequently also Chairman. Chairman, President and Chief Executive Officer at Stream Global Services, 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 Kathryn V. Marinello is independent of the company, the company management and the company's major shareholders.

Martina Merz

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

Board Member: SAF Holland SA.

Holdings in Volvo, own and related parties: None.

Principal work experience: Until January 2015, Chief Executive Officer for 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 Chief Executive Officer of the subsidiary Bosch Closure Systems, also 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, 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 Luxembourg 1984, various positions in 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, the company management and the company's major shareholders.

Anders Nyrén

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

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, Ernström & Co AB, Svenska Cellulosa Aktiebolaget SCA, Stockholm School of Economics and SSE Association. Vice preses IVA.

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

Principal work experience: Has worked for AB Wilhelm Becker. Has held various positions within STC – Controller, Executive Vice President and CFO, and President of STC Venture AB; President 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. Currently President and Chief Executive Officer of AB Industrivärden.

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. Since AB Industrivärden controls more than 10 per cent of the votes in the company, Anders Nyrén, due to his capacity as President and CEO of AB Industrivärden, is not considered independent of one of the company's major shareholders.

Olof Persson

Born 1964. B.Sc. in Business Administration and Economics.

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

Member of the Volvo Board since: 2011

Chairman: Co-Chairman of United Nations High-level Advisory Group on Sustainable Transport.

Member: European Round Table of Industrialists and the Royal Swedish Academy of Engineering Sciences.

Holdings in Volvo, own and related parties: 164,830 shares, of which 164,779 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. Since 2011, he has been President of AB Volvo and Chief Executive Officer of the Volvo Group.

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.

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.

Statement explaining the proposals regarding the Board of Directors and the Board remuneration

Proposal regarding the Board of Directors

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

Based on information that the Election Committee has received from the Chairman of the Board regarding the results of the evaluation of the current Board of Directors and its work, the Election Committee considers that the Board is well functioning and collectively possesses broad qualifications and experiences relevant for the Volvo Group. However, the Election Committee is seeking a more even gender distribution on the Board of Directors and also considers that it would be valuable to add additional competence to the Board from the global automotive and manufacturing industry. The Election Committee's evaluation resulted in the identification of two well-qualified candidates, both of whom are now proposed for election.

However, Jean-Baptiste Duzan will not stand for re-election at the Annual General Meeting to be held in 2015. With regard to this and in light of the statement below, the Election Committee proposes re-election of the eight current Board members and new election of Martina Merz and Eckhard Cordes. This proposal entails an increase in the number of Board members elected by the Annual General Meeting from nine to ten.

The Election Committee considers that each of the two candidates proposed for new election possesses qualifications and experiences relevant for the Volvo Group. The Committee further considers that the candidates will jointly constitute a valuable contribution to the Board and its work. The proposed candidates will strengthen the Board with their solid global industrial and manufacturing experiences. It should be particularly noted that Martina Merz, through her many years with Robert Bosch, has solid experience derived from a major global subcontractor to the automotive industry, including in the areas of sales and marketing. Eckhard Cordes has experience valuable to Volvo in that he has worked for nearly 30 years in the automotive industry, in which his experience as head of truck and bus operations at Daimler Benz AG deserves special mention. In addition, he also has experience of work on several boards of listed companies, such as Air Berlin, SKF and Billinger SE.

In summary, the Election Committee has concluded that the proposed Board collectively has diversity and the breadth of qualifications, experience and background required with regard to Volvo's operations and the phase of development of the Group. The Election Committee also believes that the proposed number of Board members is appropriate in terms of the need for renewal and continuity. The proposed Board entails an increase in the proportion of female Board members elected by the General Meeting, which the Election Committee considers positive and valuable for the Board's continued work. It is the Election Committee's ambition to continue its efforts to strive for equal gender distribution on the Board.

Proposal regarding Board remuneration

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. Ahead of the 2014 Annual General Meeting, the Election Committee conducted a thorough international study of Board remuneration paid by other global companies. The result of the evaluation entails that the Election Committee proposed an increase in the fees to the 2014 Annual General Meeting and the Meeting resolved in favour of the motion.

The Election Committee has therefore conducted a benchmark study of Board remuneration paid by international companies in Scandinavia, Europe and also in the USA. Based on the outcome of that benchmark study the Election Committee has concluded that the remuneration paid to the members of the Volvo Board is generally in line with the Board remuneration paid in many other global companies situated in Europe and in the USA that are of comparable size and/or complexity.

The Election Committee considers it appropriate to conduct such a study of remuneration at least every other year and, in light of the increase approved at the 2014 Annual General Meeting, assesses that no such study is required ahead of the 2015 Annual General Meeting. Accordingly, the Election Committee proposes that remuneration paid to the Board members elected by the Annual General Meeting, including the Chairman, remains unchanged. Further, the Election Committee assesses that the current remuneration for work on the Board's committees is reasonable and as such, no change to these is proposed.

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 shall elect five Committee members, of whom 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 Cevian Capital
Yngve Slyngstad, representing Norges Bank Investment Management
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 2014 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
Lars Förberg, representing Cevian Capital
Yngve Slyngstad, representing Norges Bank Investment Management
Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen

The Election Committee held its first meeting on May 23, 2014, at which Carl-Olof By was appointed Chairman.

The Election Committee has held a total of 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 need to undertake new recruitment to the Board and the fees to be paid to the Board members.

In the process of recruiting two new Board members, the Election Committee engaged the international recruitment firm Korn/Ferry International. The Election Committee considered several different candidates and in such considerations, the Election Committee strived to achieve equal gender distribution on the Board. Based on thorough evaluations and personal meetings with the candidates, the Committee has decided to propose new election of Martina Merz and Eckhard Cordes. As regards the Election Committee's further considerations concerning the proposals for election of Board members and Board remuneration, this is referred to the Committee's statement above.

During its meetings, the Election Committee has also discussed and formulated proposals concerning the Chairman of the Annual General Meeting 2015 and members of the Election Committee 2015/2016, who are proposed as set forth in the instruction for the Election Committee.

The costs incurred in the Election Committee's discharge of its assignment amount to SEK 992,470. Most of these costs are attributable to compensation to the recruitment firm Korn/Ferry International.

February 2015

Election Committee for the 2015 Annual General Meeting of AB Volvo

Carl-Henric Svanberg

Born 1952. Master of Science, B. Sc. Business Administration.

Member of the Volvo Board since: Chairman since 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.

Matti Alahuhta

Born 1952. MSc and DSc.

Member of the Volvo Board since: 2014

Board Chairman: DevCo Partners Oy, Outotec Corporation, Aalto University Foundation and Confederation of Finnish Industries.

Board member: ABB Ltd., Kone Corporation and UPM-Kymmene Corporation.

Principal work experience: Has held several management positions in the Nokia Group – President of Nokia Telecommunications, President of Nokia Mobile Phones and Chief Strategy Officer of the Nokia Group; President of Kone Corporation between 2005-2014 and between 2006-2014 also Chief Executive Officer.

Eckhard Cordes

Born 1950. MBA and PhD, University of Hamburg.

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

Board Chairman: Bilfinger SE.

Principal work experience: Started with Daimler Benz AG, where he has 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.

James W. Griffith

Born 1954. BS and MBA, Stanford University.

Member of the Volvo Board since: 2014

Board member: Illinois Tool Works Inc.

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 Chief Executive Officer at Timken Company.

Kathryn V. Marinello

Born 1956. BA, State University of New York at Albany and MBA, Hofstra University.

Senior Advisor, Ares Management LLC.

Member of the Volvo Board since: 2014

Board member: General Motors Company and Nielsen.

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 Chief Executive Officer at Ceridian Corporation and subsequently also Chairman. Chairman, President and Chief Executive Officer at Stream Global Services, Inc.

Martina Merz

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

Board Member: SAF Holland SA.

Principal work experience: Until January 2015, Chief Executive Officer for 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 Chief Executive Officer of the subsidiary Bosch Closure Systems, also member of the Board of Management of Brose Fahrzeugteile GmbH & Co.

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 Luxembourg 1984, various positions in 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.

Anders Nyrén

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

President and Chief Executive Officer of AB Industrivärden.

Member of the Volvo Board since: 2009

Board Chairman: Sandvik AB.

Board Member: AB Industrivärden, Ernström & Co AB, Svenska Cellulosa Aktiebolaget SCA, Svenska Handelsbanken, Stockholm School of Economics and SSE Association. Vice preses IVA.

Principal work experience: Has worked for AB Wilhelm Becker. Has held various positions within STC – Controller, Executive Vice President and CFO, and President of STC Venture AB; President 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. Currently President and Chief Executive Officer of AB Industrivärden.

Olof Persson

Born 1964. B.Sc. in Business Administration and Economics.

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

Member of the Volvo Board since: 2011

Chairman: Co-Chairman of United Nations High-level Advisory Group on Sustainable Transport.

Member: European Round Table of Industrialists and the Royal Swedish Academy of Engineering Sciences.

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. Since 2011, he has been President of AB Volvo and Chief Executive Officer of the Volvo Group.

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.

POLICY ON REMUNERATION TO SENIOR EXECUTIVES, proposed by the Board of Directors of AB Volvo to be adopted by the Annual General Meeting 2015 (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 2014 sets out details on the total remuneration and benefits awarded to the Executives during 2014.

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 2014 decided to adopt a share-based incentive program for senior executives in the Volvo Group relating to the financial years 2014, 2015 and 2016.

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 2015 fall within the frames of this policy.

8 Deviation from current Policy

The Board of Directors was authorized to deviate from the Policy on Remuneration to Senior Executives adopted by the Annual General Meeting of AB Volvo held in 2014 according to section 6 of said Policy. The Board has resolved on such a deviation by, under separation arrangements with two Executives, approving payment to those Executives of pension premiums corresponding to the period from the termination of the employment, however from the age of 60 at the earliest, until the age of 65, in addition to 12 months' severance pay. The premium payments correspond to about one annual salary for each Executive. The reason for the deviation is a reorganization within the Group entailing among other things that the number of Group Executive Team members has decreased from 16 to 10 and that the two Executives' respective positions do not remain.
