

CORPORATE GOVERNANCE

The Volvo Group appreciates the value of sound corporate governance as a fundamental base in achieving a trusting relation with shareholders and other key parties. The Swedish Corporate Governance Code, which is applied by the Volvo Group, aims at empowering the shareholders and creating a sound balance of power between shareholders, the board of directors and the senior management. Sound corporate governance, characterized by high standards when it comes to transparency, reliability and ethical values, has always been a well-established guiding principle within the Volvo Group's operations.



Significant events 2014

In March, the Volvo Group decided to sell non-strategic real estate, mainly located in Göteborg, for a purchase consideration amounting to approximately SEK 2 billion.

A review of what is core and non-core in the Group's IT operations was initiated during autumn.

In November, it was decided that Volvo Construction Equipment shall discontinue product development and production of backhoe loaders and motor graders in Europe and Americas and transfer these operations to its Chinese company, SDLG.

Higher ambition in structural cost-reduction efforts and increased expected restructuring charges in the Strategic Program 2013–2015 were communicated during fall.

A hybrid bond was issued in December via Volvo Treasury AB amounting to EUR 1.5 billion.

A reorganization of the truck sales operation was implemented as from January 1, 2015, entailing a merger of the previous three trucks sales and market regions into one sales organization.

As a result of the reorganization of the truck sales operation but also with the aim of creating a smaller and more efficient management team, the number of members of Volvo's Group Executive Team was reduced from 16 to 10 as from January 1, 2015.

Chairman's word

Sound corporate governance is a fundamental guiding principle for the Volvo Group. It is a key factor in building trusting relations with shareholders and other stakeholders and to ensure that the Volvo share is considered as a good investment.

The Board plays an important role in sound corporate governance. It is responsible for the Volvo Group's organization, the overall strategic direction and the performance of the company. In this context the Board has the task of supporting as well as challenging the executive management.

During 2014, the Board has thoroughly discussed the structures and procedures for the Board's work in order to ensure that its time and efforts are focused on discussions on strategic issues and other matters of great importance for the Volvo Group. This has resulted in updated work procedures and a well thought through work plan, entailing that a few recurrent important focus areas have been selected for each ordinary meeting. In order to cover all matters, the number of ordinary annual meetings has further increased from six to nine in the recent past, while the length of the ordinary meetings has been considerably prolonged and voluntary training sessions for the Board members have been introduced.

Further, the industrial competence of the Board has been strengthened, through the addition of new appointed Board members with relevant industrial background. This gives a solid base for valuable discussions and has strengthened the ability to support and challenge management in an effective way.

I am confident that with the good structure and focus of the Board's work and the highly competent and experienced Board members, the Board will be able to contribute to a positive development of the Volvo Group for the benefit of the shareholders, employees and other stakeholders.



Carl-Henric Svanberg

The Swedish Corporate Governance Code

AB Volvo's shares are admitted to trading on the Nasdaq Stockholm and accordingly, Volvo complies with Nasdaq Stockholm's Rule Book for Issuers. As a listed company, Volvo also applies the Swedish Corporate Governance Code (the Code), which is available at www.corporategovernanceboard.se.

In 2014, Volvo deviated from Rule 9.9 of the Code ("Fixed salary during a period of notice and severance pay are together not to exceed an amount equivalent to the individual's fixed salary for two years") by approving, under separation arrangements with two members of the Group Executive Team (the "Executives"), 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 salary during the 12-month termination period and 12 months' severance pay. The premium payments correspond to about one annual salary for each Executive. The reason for the deviation was a reorganization within the Group entailing among other things that the number of Group Executive Team members decreased from 16 to 10 and that the two Executives' respective positions did not remain.

This Corporate Governance Report was prepared in accordance with the Swedish Annual Accounts Act and the Code, and is separate from the Annual Report. The report has been examined by Volvo's auditors and includes a report from the auditors.

Corporate Governance Model

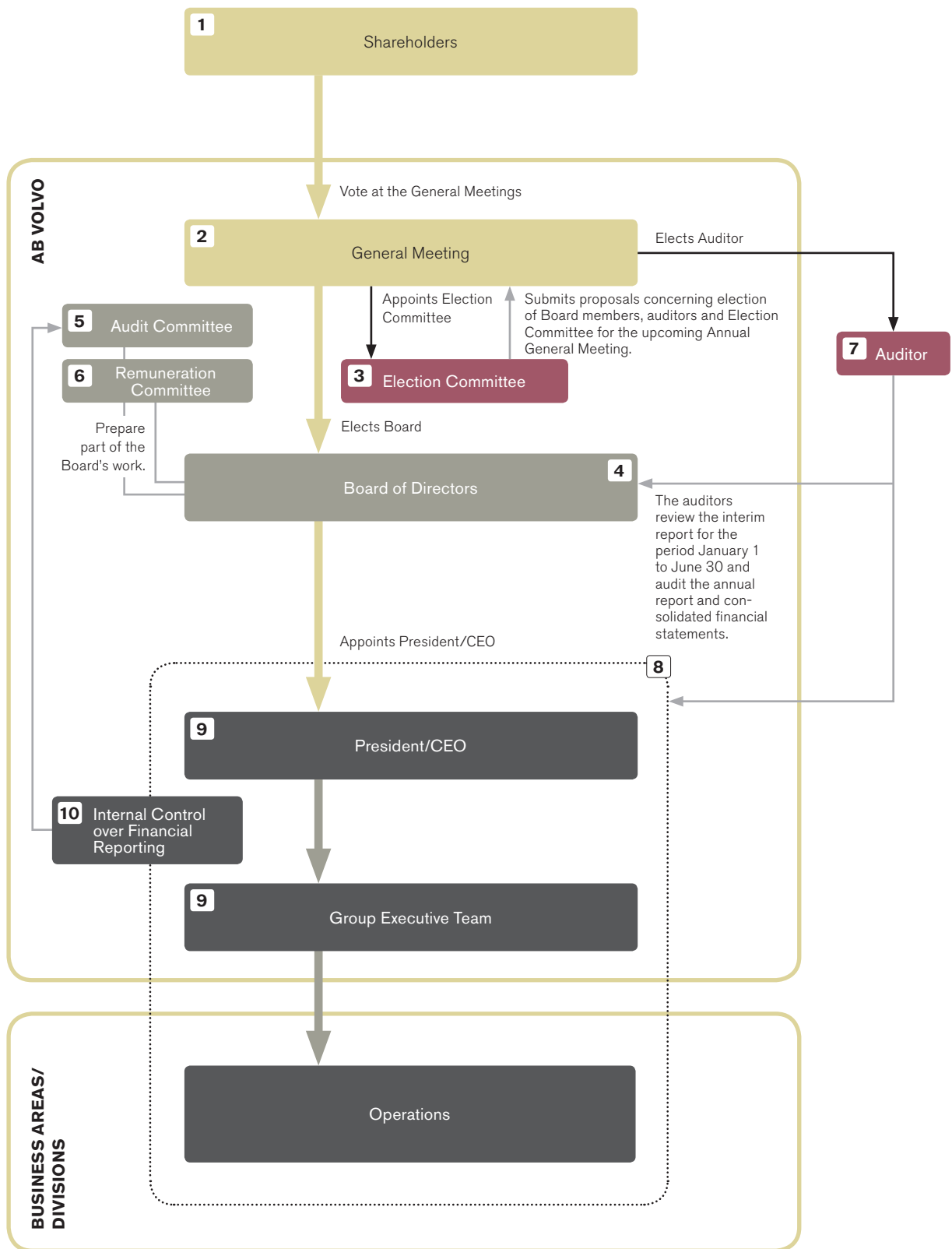
The governance and control of the Volvo Group is carried out through a number of corporate bodies. At the General Meetings of AB Volvo, which is the Parent Company in the Volvo Group, the shareholders exercise their voting rights with regard to for example the composition of the Board of Directors of AB Volvo and election of auditors.

An Election Committee, appointed by the Annual General Meeting of AB Volvo, submits proposals to the next Annual General Meeting concerning the election of Board members, Board Chairman and, when necessary, external auditors, and proposals for resolutions concerning fees to the Board and the auditors.

The Board is ultimately responsible for Volvo's organization and management of the operations. The duties of the Board are partly exercised through its Audit Committee and its Remuneration Committee.

In addition, the Board appoints the President of AB Volvo, who is also the Chief Executive Officer (CEO) of the Volvo Group. The CEO is in charge of the daily management of the Group in accordance with guidelines and instructions provided by the Board.

Division of responsibilities and duties between the General Meeting, the Board of Directors and the President are regulated inter alia by the Swedish Companies Act, Volvo's articles of association, the Code and the Board's work procedures.



1 Shares and shareholders

AB Volvo's share register is kept by Euroclear Sweden AB. On December 31, 2014, Volvo had 237,871 shareholders according to the share register. The largest shareholder on that date was AB Industrivärden, with 21.1 percent of the votes based on the number of registered shares. Cevian Capital held 12.9 percent of the votes, Norges Bank Investment Management held 6.0 percent of the votes, and Svenska Handelsbanken together with SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen held 5.6 percent of the votes, based on the number of registered shares.

Volvo has issued two classes of shares: series A and series B. In a vote at a General Meeting, series A shares carry one vote and series B shares one-tenth of a vote. The two share classes carry equal rights to a share in the assets and earnings of the company. According to a special share conversion clause in the Articles of Association, holders of series A shares are entitled to request that their series A shares are converted to series B shares. Implementation of such conversions entails that the total number of votes in the company decreases.

At the end of 2014, the total number of shares in AB Volvo amounted to 2,128,420,220, of which series A shares accounted for 513,115,100 and series B shares accounted for 1,615,305,120. The total number of votes amounted to 674,645,612.

For more information about the Volvo share and its shareholders, refer to the Board of Director's report on pages 87–89 of the of the Annual Report.

2 General Meeting

General

The General Meeting is Volvo's highest decision-making body. The General Meeting held within six months after the end of the fiscal year adopting the income statement and the balance sheet is called the Annual General Meeting. The Annual General Meeting of Volvo is normally held in Göteborg. In addition to resolutions concerning adoption of the income statement and balance sheet for AB Volvo and the Volvo Group, the Annual General Meeting also adopts resolutions concerning allocations of profit, the composition of Volvo's Board of Directors, directors' fees and elects, when applicable, external auditors. Notice to attend a General Meeting is issued in the form of an announcement in Post- och Inrikes Tidningar (Swedish Official Gazette) and on the company's website. The fact that notice has been issued is announced in Dagens Nyheter and Göteborgs-Posten.

Shareholders who are recorded in the share register five working days prior to a General Meeting and who have notified Volvo of their participation in a certain order, are entitled to participate in the Meeting, in person or by proxy, and to vote for or against the proposals put forward at the Meeting, and to present questions to the Board and the President.

A shareholder who wants the Meeting to consider a special matter must submit a request to the Board in sufficient time prior to the Meeting to the address provided on Volvo's website, www.volvogroup.com.

Resolutions at a General Meeting are normally passed by simple majority and for elections, the person who receives the most votes is considered elected. However, certain resolutions, such as amendment of the Articles of Association, require a decision by a qualified majority.



AB Volvo's Annual General Meeting 2014 was held on April 2, 2014 in Lisebergshallen in Göteborg.

3 Election Committee

Annual General Meeting 2014

Volvo's Annual General Meeting 2014 was held on Wednesday, April 2, 2014 in Göteborg. The Meeting was attended by 1,218 shareholders, either in person or by proxy, representing 55.68 percent of the votes in the company. Attorney Sven Unger was elected Chairman of the Meeting. Members of the Board and of the Group Executive Team were present at the Meeting. Authorized Public Accountants Peter Clemedtson, Volvo's Lead Partner, and Johan Rippe were also present, representing the company's auditor PricewaterhouseCoopers AB.

The Annual General Meeting 2014 decided to pay a dividend of SEK 3.00 per share. The Meeting further resolved to reelect Board Members Jean-Baptiste Duzan, Hanne de Mora, Anders Nyrén, Olof Persson, Carl-Henric Svanberg (as Chairman) and Lars Westerberg, and to elect Matti Alahuhta, James W. Griffith and Kathryn V. Marinello as new Board Members. In addition, the registered firm of auditors PricewaterhouseCoopers AB was reelected for a period of four years.

The further resolutions of the Meeting are included in the complete minutes from the Annual General Meeting 2014 which, together with other information about the Meeting, are available at www.volvogroup.com.

Annual General Meeting 2015

Volvo's Annual General Meeting 2015 will be held on Wednesday, April 1, 2015 in Konserthuset, Göteborg. For further information about the Annual General Meeting 2015, please refer to the fold-out in the end of the Annual Report and Volvo's website www.volvogroup.com.

Duties

The Election Committee is the shareholders' body responsible for submitting to the Annual General Meeting the names of candidates to serve as Chairman at the Meeting and Chairman and other Members of the Board, as well as proposing fees and other compensations to be paid to the Board Members.

In the years in which Volvo elects auditors, the Election Committee presents proposals to the Meeting for the election of auditors and for fees to be paid to the auditors. In addition, the Election Committee, in accordance with prevailing instructions for Volvo's Election Committee, presents proposals for members of the Election Committee for the following year.

The Election Committee's proposal shall be presented to Volvo in sufficient time to be included in the notice to attend the Annual General Meeting and to be published on Volvo's website at the same time. In conjunction with the notice to attend the Annual General Meeting being published, the Election Committee shall comment on whether those persons who are proposed to be elected as Board Members are to be considered as independent in relation to the company and company management as well as to major shareholders in the company and further to comment on their important assignments and holding of shares in Volvo.

Composition

In accordance with instructions for the Election Committee adopted by the Annual General Meeting 2014, the Annual General Meeting shall elect five members to serve on the Election Committee, of whom four shall represent the largest shareholders in the company, in terms of the number of votes, who have expressed their willingness to participate on the Election Committee. In addition, one of the members shall be the Chairman of the AB Volvo Board. Additionally, the Election Committee can offer other major shareholders to appoint one representative as a member of the Election Committee. If such an offer is made, it should be directed in turn to the largest shareholder in terms of voting rights not already represented on the Election Committee. The number of members on the Election Committee may however not exceed seven.

In accordance with its instructions, Volvo's Annual General Meeting 2014 resolved to appoint the following individuals as members of 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, and
- Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen.

The Election Committee appointed Carl-Olof By as Chairman.



During the period January 1, 2014 to December 31, 2014, AB Volvo's Board consisted of nine members elected by the Annual General Meeting, and three members and two deputy members appointed by employee organizations.

4 Board of Directors

Duties

The Board of Directors is ultimately responsible for Volvo's organization and management of the company's operations. The Board is responsible for the Group's long-term development and strategy, for regularly controlling and evaluating the Group's operations and for the other duties set forth in the Swedish Companies Act.

Composition

During the period January 1, 2014 to December 31, 2014, AB Volvo's Board consisted of nine members elected by the Annual General Meeting. In addition, the Board had three members and two deputy members appointed by employee organizations.

The Annual General Meeting 2014 reelected Jean-Baptiste Duzan, Hanne de Mora, Anders Nyrén, Olof Persson, Carl-Henric Svanberg and Lars Westerberg as Board Members, and Carl-Henric Svanberg as Chairman of the Board. Matti Alahuhta, James W. Griffith and Kathryn V. Marinello were elected as new Board Members. An account of each Board member's age, principal education, professional experience, assignments in the company, other important board memberships, their own and related parties' ownership of shares in Volvo as of February 26, 2015, and the year they were elected on the Volvo Board, is presented in the "Board of Directors" section on pages 100–101.

Independence requirements

The Board of Directors of AB Volvo must meet independence requirements pursuant to the Code entailing that only one person from the company's management may be a member of the Board, that a majority of the Board members elected by the General Meeting shall be independent of the company and the company management and that at least two of the Board members elected by the General Meeting who are independent of the company and the company's management shall also be independent of the company's major shareholders. Prior to the Annual General Meeting 2014, the Election Committee presented the following assessment concerning independence of the Board members elected by the Annual General Meeting 2014.

Matti Alahuhta, Jean-Baptiste Duzan, James W. Griffith, Kathryn V. Marinello, Hanne de Mora, Carl-Henric Svanberg and Lars Westerberg were all considered independent of the company and the company management as well as of the company's major shareholders.

Olof Persson, as AB Volvo's President and CEO of the Volvo Group, was considered independent of the company's major shareholders but not of the company and the company management.

Anders Nyrén was considered independent of the company and company management.

Since AB Industrivärden, prior to the Annual General Meeting 2014, controlled more than 10 percent of the votes in the company, Anders Nyrén, due to his capacity as President and CEO of AB Industrivärden, was not considered independent in relation to one of the company's major shareholders.

Work procedures

Every year, the Board adopts work procedures for the Board's work. The work procedures contain rules pertaining to the distribution of work between the Board members, the number of Board meetings, matters to be addressed at regular meetings of the Board and duties incumbent on the Chairman.

Volvo's Chairman shall organize and guide the Board's work, be responsible for contacts with the owners regarding ownership matters and provide the owners' viewpoints to the Board, ensure that the Board receives adequate information and decision documents for its work and verify that the Board's resolutions are implemented. The work procedures further refer to the charter of the Audit Committee and the charter of the Remuneration Committee for the tasks assigned to the respective committee.

The Board has also issued written instructions specifying how financial information should be reported to the Board, as well as defining the distribution of duties between the Board and the President.

The Board's work in 2014

The Board's work is mainly performed within the framework of formal Board meetings and through meetings in the respective committees of the Board. In addition, regular contact is maintained between the Chairman of the Board and the CEO in order to discuss on-going business and to ensure that the resolutions taken by the Board are executed.

In 2014, there were nine regular meetings, two extraordinary meetings and one statutory meeting. The attendance of Board members at these meetings is presented in the table on page 99.

The Board has during 2014 focused on measures to strengthen the balance sheet, profitability efforts and cost reduction initiatives.

As a measure to strengthen the balance sheet the board decided in March to divest non-strategic commercial real estates, mainly located in Göteborg, for a total purchase consideration of approximately SEK 2 billion.

The Board further decided to issue a hybrid bond via Volvo Treasury AB in December amounting to EUR 1.5 billion, in order to further strengthen the Group's balance sheet and to prolong the maturity structure of the debt portfolio. The hybrid bond will be accounted for as a loan and subordinated to all other financial liabilities currently outstanding and the bond will be eligible for 50 percent equity treatment from the credit rating agencies Moody's and S&P when calculating Volvo's credit ratios.

In November it was decided that Volvo Construction Equipment shall discontinue product development and production of backhoe loaders and motor graders in Europe and Americas and transfer these operations to its Chinese company SDLG, with the purpose of adapting the cost structure and addressing the product profitability.

Further it has been decided to initiate a review of what is core and non-core in the Group's IT operations, with the objective to reduce structural costs and improve the profitability of the Group.



In October 2014, the Board of Directors visited the Group's businesses in France, including a visit at Valbonne Renault Trucks Test Track Center.

The above mentioned decisions relating to Volvo Construction Equipment and the IT review are part of the increased ambitions as regards the structural cost reduction efforts, which were announced in the fall. The ambition is to reduce the Group's structural costs by SEK 10 billion and to have all activities implemented by the end of 2015 with a full-year saving-effect in 2016.

The board has further devoted time to organizational matters, such as the implementation of a more efficient truck sales organization, entailing that the previous three sales divisions were merged into one global division as of January 1, 2015. Further the Group Executive Team was reduced from 16 to 10 members as from January 1, 2015, partly as a consequence of the reorganization of the truck sales operation, but also with the purpose of creating a smaller and more efficient management team. As part of the Board's organizational discussion, the Board also regularly discusses the succession planning for senior executive positions within the Group. In addition, the Board continuously evaluates the performance of the CEO.

During 2014, the Board has also focused on risk-related matters, and has kept itself continuously updated about the declining market in China for particularly construction equipment, resulting in decreased profitability and weakened financial position for construction equipment customers and dealers. The risk for future credit losses in China has thus

increased and as a consequence Volvo Construction Equipment recognized a provision of SEK 660 M in the fourth quarter of 2014. The Board has further devoted time and efforts to follow the on-going EU investigation, in which the EU Commission issued a Statement of Objection to among others the Volvo Group in November. A provision of EUR 400 M was recorded as a result of the evaluation of the Statement of Objections.

The Board further took decisions on investments during 2014, mainly relating to product renewal projects.

The Board usually visits a Volvo Group facility once a year, and in October 2014 the Board visited the Group's facilities in France.

In addition to the above the Board reviewed the financial position of AB Volvo and the Volvo Group on a regular basis and acted in order to ensure that there are efficient systems for follow-up and control of the business and the financial position of the Volvo Group. In connection therewith, the Audit Committee was responsible for preparing the Board's work to assure the quality of the Group's financial reporting by reviewing the interim reports, the Annual Report and consolidated accounting. The Board also met with the company's auditors at several occasions during 2014 and without the presence of management at one occasion.

During 2014 the Board performed its yearly evaluation of the Board's work.

The Board's committees**5 Audit Committee***Duties*

In December 2002, the Board established an Audit Committee primarily for the purpose of overseeing the accounting and financial reporting processes and the audit of the financial statements.

The Audit Committee is responsible for preparing the Board's work to assure the quality of the Group's financial reporting by reviewing the interim reports, the Annual Report and the consolidated accounting. The Audit Committee also has the task of reviewing and overseeing the Group's legal and taxation matters as well as compliance with laws and regulations that may have a material impact on the financial reporting. Further the Audit Committee has the task of reviewing and overseeing the impartiality and independence of the company's auditors. The Audit Committee is responsible for evaluating the internal and external auditors' work, providing the Election Committee with the results of the evaluation of the external auditors and to assist in preparing proposals for the election of auditors. In addition, it is the Audit Committee's task to establish guidelines specifying what other services, beyond auditing, the company may procure from the auditors. The Audit Committee shall also evaluate the quality, relevance and efficiency of the Group's system for internal control over financial reporting, and with respect to the internal audit and risk management. Finally, the Audit Committee adopts guidelines for transactions with companies and persons closely associated with Volvo.

Composition and work in 2014

At the statutory Board meeting following the Annual General Meeting 2014, the following Board members were appointed members of the Audit Committee:

- Lars Westerberg,
- Jean-Baptiste Duzan,
- Hanne de Mora

Lars Westerberg was appointed Chairman of the Audit Committee.

According to the Swedish Companies Act, the members of the Audit Committee may not be employees of the company and at least one member of the Audit Committee shall be independent and have accounting or auditing expertise. In addition, the Code stipulates that a majority of the members of the Audit Committee shall be independent of the company and the company management, and that at least one of the members who is independent of the company and the company management shall also be independent of the company's major shareholders. The Election Committee's assessment of independence prior to the Annual General Meeting 2014 is presented above under the "Independence requirements" section on page 96. All members of the Audit Committee are highly familiar with accounting matters and the accounting standards that apply for an international Group such as the Volvo Group.

The Audit Committee met with the external auditors without the presence of management at four occasions during 2014 in connection with the Audit Committee meetings. The Audit Committee has also met with the Head of Corporate Audit at the meetings of the Audit Committee.

The Audit Committee and the external auditors have, among other tasks, discussed the external audit plan and risk management. The Audit Committee held 10 regular meetings during 2014. The attendance of Board Members at Committee meetings is presented in the table on page 99.

6 Remuneration Committee*Duties*

In April 2003, the Board established a Remuneration Committee for the purpose of preparing and deciding on issues relating to remuneration to senior executives in the Group. The duties of the Committee include presenting recommendations for resolution by the Board regarding the terms and conditions of employment and remuneration for the President of AB Volvo, principles for remuneration, including pensions and severance payments, for other members of the Group Executive Team, and principles for variable salary systems, share-based incentive programs, pensions and severance payment for other senior executives in the Group.

The Remuneration Committee shall monitor and evaluate ongoing programs and programs concluded during the year covering variable remuneration for the executives, application of the policy for remuneration to senior executives on which the Annual General Meeting shall decide and the current remuneration structures and levels in the Group. The Board shall, not later than two weeks prior to the Annual General Meeting, submit a report on the results of the Remuneration Committee's evaluation on the company's website.

Composition and work in 2014

At the statutory Board meeting following the Annual General Meeting 2014, the following Board members were appointed members of the Remuneration Committee:

- Carl-Henric Svanberg,
- James W. Griffith,
- Anders Nyrén

Carl-Henric Svanberg was appointed Chairman of the Remuneration Committee.

The Code sets the requirement that members of the Remuneration Committee, with the exception of the Board Chairman if being a member of the Remuneration Committee, shall be independent of the company and the company management. The Election committee's assessment of independence prior to the Annual General Meeting 2014 is presented under the "Independence requirements" section on page 96.

The Remuneration Committee held four meetings during 2014. The attendance of Board Members at Committee meetings is presented in the table on page 99.

Remuneration to Board members

The Annual General Meeting resolves on fees to be paid to the Board Members elected by the shareholders. The Annual General Meeting held on April 2, 2014, approved fee payments to the Board for the time until the end of the next Annual General Meeting, as follows.

Volvo's Chairman should receive a fee of SEK 3,250,000 and each of the remaining Members elected by the shareholders should receive a fee of SEK 950,000 with the exception of the President. The Chairman of the Audit Committee should receive SEK 300,000 and other members of the Audit Committee SEK 150,000 each. In addition, the Chairman of the Remuneration Committee should receive SEK 125,000 and other members of the Remuneration Committee SEK 100,000 each.

The Boards composition and attendance at meetings January 1, 2014 - December 31, 2014

Member	Board (12 incl. statutory)	Audit Committee (10)	Remuneration Committee (4)
Carl-Henric Svanberg	12		4
Matti Alahuhta ¹	10		
Peter Bijur ²	2	2	
Jean-Baptiste Duzan	12	10	
James W. Griffith ¹	10		3
Kathryn V. Marinello ¹	10		
Hanne de Mora	11	8	
Anders Nyrén	12		4
Olof Persson	12		
Ravi Venkatesan ²	2		
Lars Westerberg	12	10	
Ying Yeh ²	1		1
Mats Henning, employee representative, ordinary member ³	8		
Peteris Lauberts, employee representative, ordinary member ⁴	4		
Mikael Sällström, employee representative, ordinary member	11		
Berth Thulin, employee representative, ordinary member	12		
Lars Ask, employee representative, deputy member	10		
Hans Hansson, employee representative, deputy member ⁵	4		
Tommy Olsson, employee representative, deputy member ⁶	8		
Total number of meetings	12	10	4

¹ Joined the Board on April 2, 2014.

² Stepped down from the Board on April 2, 2014.

³ Joined the Board as employee representative, ordinary member, on May 9, 2014.

⁴ Stepped down from the Board as employee representative, ordinary member, on May 9, 2014.

⁵ Stepped down from the Board as employee representative, deputy member, on May 9, 2014.

⁶ Joined the Board as employee representative, deputy member, on May 9, 2014.

Board of Directors

BOARD MEMBERS
ELECTED BY THE
ANNUAL GENERAL
MEETING



Carl-Henric Svanberg
*Chairman of the Board,
Chairman of the
Remuneration Committee*



Matti Alahuhta



Jean-Baptiste Duzan
Member of the Audit Committee



James W. Griffith
*Member of the
Remuneration Committee*

Education	Master of Science, B. Sc. Business Administration.	Master of Science, Doctor of Science.	Graduate of the Ecole Polytechnique.	B Sc Industrial Engineering, MBA from Stanford University.
Born	1952	1952	1946	1954
Member of the Volvo Board	Chairman of the Volvo Board since April 4, 2012.	Since April 2, 2014.	Since April 1, 2009.	Since April 2, 2014.
Position and board memberships	Board Chairman: BP p.l.c.	Board Chairman: DevCo Partners Oy, Outotec Corpora- tion, Aalto University Foundation and Confederation of Finnish Industries. Board member: UPM Kymmene Corporation, ABB Ltd and Kone Corporation.	Independent consultant. Board member: Nissan Motor Co. Ltd.	Board member: Illinois Tool Works Inc.
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 Telefon-aktiebolaget LM Ericsson; member of the External Advisory Board of the Earth Institute at Columbia University and the Advisory Board of Harvard Kennedy School.	Has held several management positions in the Nokia Group – President of Nokia Telecommu- nications, President of Nokia Mobile Phones and Chief Strat- egy Officer of the Nokia Group; President of Kone Corporation between 2005–2014 and between 2006–2014 also Chief Executive Officer.	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 Presi- dent, 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. Today, he works as an independent con- sultant.	Began his career at The Timken Company in 1984, where he has held several management posi- tions, such as responsible for Timken's bearing business activi- ties in Asia, the Pacific and Latin America and for the company's automotive business in North America. Until 2014 President and Chief Executive Officer at Timken Company.
Holdings in Volvo, own and related parties	700,000 Series B shares	42,300 Series B shares.	1,000 Series B shares.	20,000 Series B shares.

BOARD MEMBERS APPOINTED BY THE EMPLOYEE ORGANISATIONS



Mats Henning
Employee representative, ordinary member








Mikael Sällström
Employee representative, ordinary member

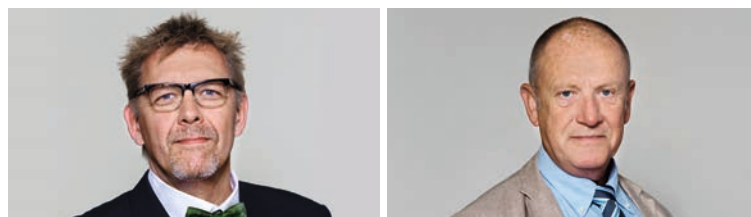


Berth Thulin
Employee representative, ordinary member

Born	1961	1959	1951
Member of the Volvo Board	Since May 9, 2014.	Since September 7, 2009.	Deputy member 1999–2009, ordinary member since June 16, 2009.
Background within Volvo	With Volvo since 1982.	With Volvo 1980–1999 and since 2009.	With Volvo since 1975.
Holdings in Volvo, own and related parties	250 Series B Shares.	None	1,425 Series B shares.

				
Kathryn V. Marinello	Hanne de Mora <i>Member of the Audit Committee</i>	Anders Nyrén <i>Member of the Remuneration Committee</i>	Olof Persson <i>President and CEO</i>	Lars Westerberg <i>Chairman of the Audit Committee</i>
BA from State University of New York at Albany and MBA from Hofstra University.	BA in Economics from HEC in Lausanne, MBA from IESE in Barcelona.	Graduate of the Stockholm School of Economics, MBA at UCLA, Honorary Doctor of Economics.	B. Sc. in Business Administration and Economics.	M.Sc. Engineering, Bachelor Business Administration.
1956	1960	1954	1964	1948
Since April 2, 2014.	Since April 14, 2010.	Since April 1, 2009.	Since September 1, 2011.	Since April 4, 2007.
Senior Advisor, Ares Management, LLC. Board member: General Motors Company and Nielsen.	Board Chairman: a-connect (group) ag. Board member: Sandvik AB and IMD Foundation Board.	President and Chief Executive Officer of AB Industrivärden. 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.	President of AB Volvo and Chief Executive Officer of the Volvo Group since 2011. Board Chairman: Co-Chairman of United Nations's High-level Advisory Group on Sustainable Transport. Board member: Member of the ERT (European Round Table of Industrialists) and the Royal Swedish Academy of Engineering Sciences.	Board Chairman: Husqvarna AB. Board member: SSAB Svenskt Stål AB, Sandvik AB, Meda AB and Stena AB.
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 of Ceridian Corporation and subsequently also Chairman; Board Chairman, President and Chief Executive Officer of Stream Global Services, Inc.	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.	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 OM at 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.	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.	President and CEO of Gränges AB, ESAB AB and Autoliv Inc.
None	3,000 Series B shares.	5,200 Series B shares.	164,830 shares, including 164,779 Series B shares.	60,000 Series A shares.

DEPUTIES APPOINTED BY THE EMPLOYEE ORGANISATIONS



Lars Ask
Employee representative, deputy member

Tommy Olsson
Employee representative, deputy member

1959
Since June 16, 2009 (deputy member).

1955
Since May 9, 2014 (deputy member).

With Volvo since 1982.

With Volvo 1974–1977 and since 1983.

None

None

SECRETARY TO THE BOARD



Sofia Frändberg
Secretary to the Board
Master of Laws

1964

Secretary to the Board since April 1, 2013.

Executive Vice President Corporate Legal & Compliance and General Counsel.

39,598 shares, including 38,153 Series B shares.

7 External auditing

Volvo's auditors are elected by the Annual General Meeting. The current auditor is PricewaterhouseCoopers AB (PwC), which was elected at the Annual General Meeting 2014 for a period of four years. Two partners of PwC, Peter Clemedtson and Johan Rippe, are responsible for the audit of Volvo. Peter Clemedtson is Lead Partner.

The external auditors discuss the external audit plan and risk management with the Audit Committee. The auditors review the interim report for the period January 1 to June 30 and audit the Annual Report and the consolidated accounting. The auditors also express an opinion whether this Corporate Governance Report was prepared or not, and in such respect whether certain information therein coincides with the Annual Report and consolidated accounting. The auditors report their findings with regard to the annual report, consolidated accounting and the Corporate Governance Report through the audit reports and a separate opinion regarding the Corporate Governance Report, which they present to the Annual General Meeting. In addition, the auditors report detailed findings from their reviews to the Audit Committee twice a year and once a year to the full Board of Directors.

When PwC is retained to provide services other than the audit, it is done in accordance with rules decided by the Audit Committee pertaining to pre-approval of the nature of the services and the fees.

For information concerning Volvo's remuneration to the auditors, refer to Note 28 "Fees to the auditors" in the Group's notes in the Annual Report.

Auditors

PricewaterhouseCoopers AB

Peter Clemedtson

Authorized Public Accountant.

Lead Partner.

Auditor since 2012.

Peter Clemedtson's other listed clients are SKF AB and Ratos AB. His unlisted clients include Stena AB and Wallenbergstiftelsen. Born 1956.

Johan Rippe

Authorized Public Accountant.

Partner.

Auditor since 2010.

Johan Rippe's other clients include Stena AB, Stena Metall AB and Elanders AB. Born 1968.

8 Governance and organizational structure

Volvo's core values, vision and strategies

Volvo's core values are quality, safety and environmental care. These values form the common base for the Group's long-term goals and vision and for the strategies and plans, the purpose of which is to contribute to achieving Volvo's goals and vision.

The Volvo Group's vision is to become the world leader in sustainable transport solutions. The vision describes the overall long-term goal for the operations. Volvo has also adopted a wanted position 2020 with the aim to achieve its long-term vision. In addition, the Board has resolved on several financial targets for the operations, primarily in relation to growth and profitability, which have been effective since 2012.

How Volvo will achieve the vision, the wanted position 2020 and the financial targets are defined in long-term plans for different areas such as brand positioning, product development, finance and IT, and in more short-term strategic objectives with a duration of three years. The long-term plans may be both Group-wide and business area/division specific, and even if a long-term approach is applied, they will be updated continuously. Every third year, focus areas and strategic objectives are formulated that are specific to the Group's various business areas and divisions. These focus areas and strategic objectives define what is to be achieved over the next three years, with the purpose of achieving the financial targets, the wanted position 2020 and also, in longtime-perspective, the vision.

The implementation of activities to reach the strategic objectives has high priority. Throughout the three-year period, monthly and quarterly follow-ups of the strategic objectives are reported to the management groups of each business area/division. Potential risks of not achieving the goals are therewith identified and discussed at an early stage, enabling efficient adjustment or action. The vision and strategies thereby become management and governance tools for the Group.

Governance documents

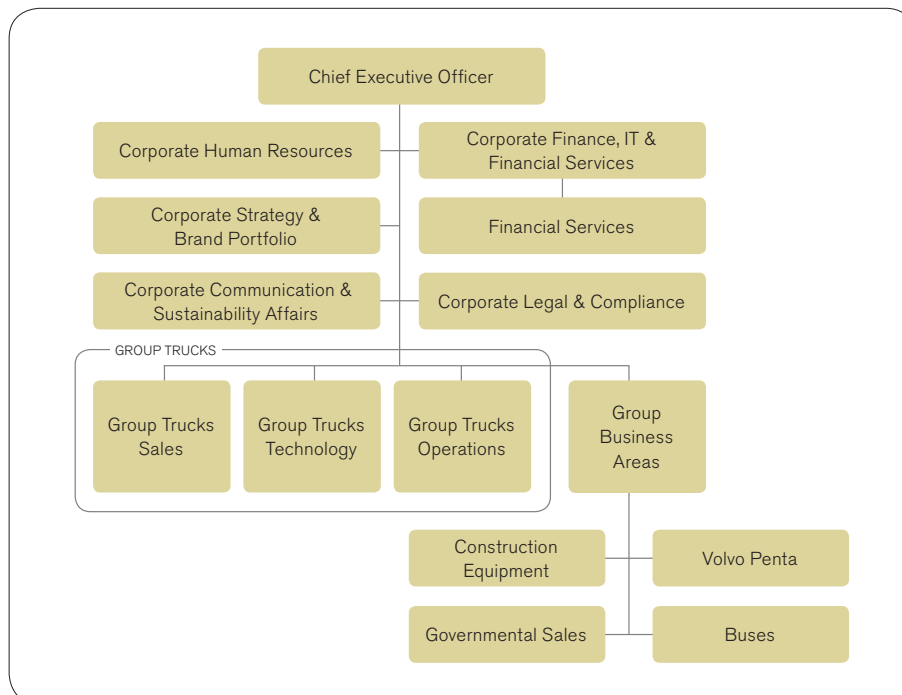
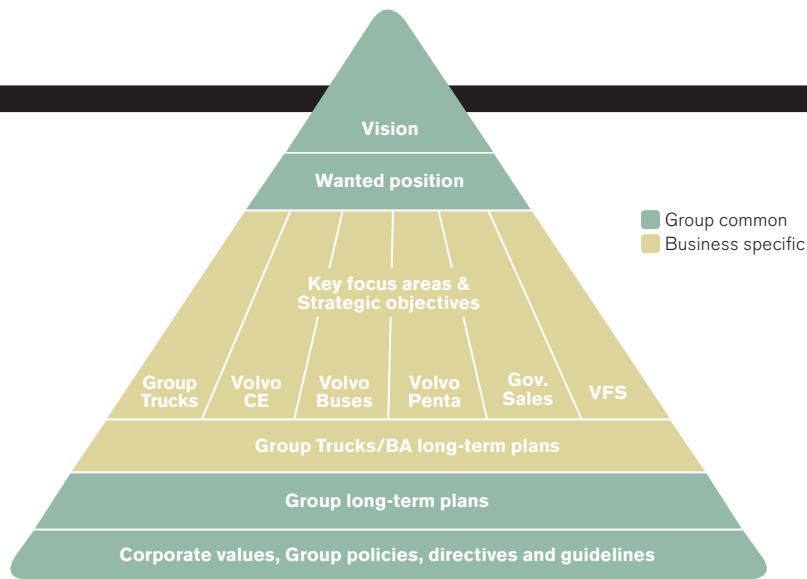
Another key component of the governance and control is the Group's policies and directives, such as the Code of Conduct and policies pertaining to investments, financial risks, accounting, financial control and internal audit, which contain Group wide operating and financial rules for the operations, as well as responsibility and authority structures.

Organizational structure

The Volvo Group's business activities are organized into six business areas: Group Trucks, Construction Equipment, Buses, Volvo Penta, Governmental Sales and Volvo Financial Services.

The Group Trucks operations, which account for almost two-thirds of the Group's total sales, are as per January 1, 2015 organized into three divisions. The previous three sales divisions are merged into one sales division, Group Trucks Sales (GTS), with responsibility for all sales and marketing activities for all truck brands in the Volvo Group. The division is also responsible for the Group's joint venture Volvo Eicher Commercial Vehicles together with Eicher Motors Ltd in India. There is also a division with responsibility for product development of engines, transmissions and trucks, Group Trucks Technology (GTT). Finally, Group Trucks Operations (GTO) is a division within Group Trucks with responsibility for purchasing and production of trucks and the Group's engines and transmissions. GTO is also responsible for the Group's spare parts supply and logistics operations.

There are five Corporate Functions: Corporate Human Resources, Corporate Communication & Sustainability Affairs, Corporate Finance, IT & Financial Services, Corporate Legal & Compliance and Corporate Strategy & Brand Portfolio, providing support to the CEO and the Group Executive Team with expertise in each Corporate Function area and developing standards for the entire organization through policies, directives and guidelines. In addition there are more than twenty Group Functions that provide services and/or products to the entire Group, for example IT Services and Business Services.



9 Group Management

Group Management

From January 1, 2015, the Group Executive Team has 10 members including the CEO. In addition to the CEO, the Group Executive Team comprises the Executive Vice Presidents of the three Group Trucks divisions, the Executive Vice President Business Areas, and the Executive Vice Presidents of the five Corporate Functions. The members of the Group Executive Team report directly to the CEO.

The CEO is responsible for managing the day-to-day operations of the Volvo Group and is authorized to take decisions on matters that do not require Board approval. The CEO leads the operations of the Group mainly through the Group Executive Team but also through individual follow-ups with the respective Group Executive Team members and the heads of the Business Areas not represented in the Group Executive Team.

The Executive Vice Presidents of the three Group Trucks divisions manage the daily operation of the divisions mainly through their respective Executive Management Team. In addition to taking decisions on matters related only to the own division, the Truck divisions' Executive Management Teams (with the involvement of relevant stakeholders from other functions) take decisions also on matters that have an impact on or requires involvement from more than one Truck Division, Business Area and/or Group Function.

Further, the Business Areas Construction Equipment, Buses, Volvo Penta and Governmental Sales and some Group Functions have separate decision foras for important matters called Business Review Meetings, which are normally headed by a Group Executive Team member.

All the above bodies affect control and monitoring of the Group's financial development, strategies and targets and take decisions regarding investments and other matters.

Remuneration to the Group Executive Team

AB Volvo's Annual General Meeting annually approves a policy on remuneration to the Group Executive Team, following a proposal from the Board. The remuneration policy adopted by the Annual General Meeting 2014 states that the guiding principle is that remuneration and other terms of employment for the Group Executive Team shall be competitive in order to ensure that the Volvo Group can attract and retain competent executives.

The policy also states that the executives may receive variable salary in addition to fixed salary. The variable salary may, as regards the President, amount to a maximum of 75 percent of the fixed salary and, as regards the other Group Executive Team members, a maximum of 60 percent of the fixed salary. In 2014, members of the Group Executive Team were entitled to variable salary according to a program for variable remuneration to senior executives determined by the Board. The performance targets defined in the program for the Group Executive Team members were related to operating margin and cash flow. The purpose of the program for variable remuneration is to create an incentive for the executives to strive for the Volvo Group developing in such a manner that the defined performance targets are achieved, thereby constituting a management tool. Accordingly, the performance targets set by the Board for variable remuneration inter alia relate to the Group's financial targets for improved operating margin.

The Group Executive Team members have during 2014 participated in the Group's long-term, share-based incentive plan for senior executives comprising the years 2014–2016 which was adopted by the Annual General Meeting 2014. The plan applies during the financial years 2014 until and including 2016 and consists of three yearly plans. The participants invest in Volvo shares during each yearly plan, up to a maximum of 15 percent of the fixed gross base salary for Group Executive Team members and 10 percent of the fixed gross base salary for other participants. On the conditions that the participant remains an employee within the Volvo Group and also retains the invested Volvo shares for at least three years after the investment date, one matching share per invested share and a



Olof Persson
President and CEO

Joachim Rosenberg
Executive Vice President Group Trucks Sales

Torbjörn Holmström
Executive Vice President Group Trucks Technology

	Olof Persson <i>President and CEO</i>	Joachim Rosenberg <i>Executive Vice President Group Trucks Sales</i>	Torbjörn Holmström <i>Executive Vice President Group Trucks Technology</i>
Education	B. Sc. in Business Administration and Economics.	M. Sc. Industrial Engineering and Management, M. Sc. Financial Economics, M. Sc. Business and Economics.	M. Sc. Mechanical Engineering.
Born	1964	1970	1955
Principal work experience	President of AB Volvo and Chief Executive Officer of the Volvo Group since 2011. President of Volvo Construction Equipment 2008–2011. President of Volvo Aero 2006–2008. Member of the Group Executive Team since 2006. With Volvo since 2006.	Has held various senior positions in the Volvo Group, most recently as Executive Vice President Group Trucks Sales & Marketing APAC 2012–2014, President of Volvo Group Asia Truck Operations 2007–2011. Vice President Volvo Group Alliance Office 2007. Vice President Volvo Powertrain 2005–2007. Member of the Group Executive Team since 2012. With Volvo since 2005.	President of Volvo 3P 2003–2011. Prior to that he has held various senior positions at Volvo Powertrain. Member of the Group Executive Team since 2012. With Volvo since 1979.
Board memberships	Co-chairman of United Nation's High-level Advisory Group on Sustainable Transport. Member of the ERT (European Round Table of Industrialists) and the Royal Swedish Academy of Engineering Sciences. Member of the Volvo Board since 2011.		
Holdings in Volvo, own and related parties	164,830 shares, including 164,779 Series B shares.	36,064 Series B shares.	64,725 Series B shares.

						
Mikael Bratt <i>Executive Vice President Group Trucks Operations</i>	Håkan Karlsson <i>Executive Vice President Group Business Areas</i>	Jan Gurander <i>Executive Vice President Corporate Finance, IT & Financial Services</i>	Sofia Frändberg <i>Executive Vice President Corporate Legal & Compliance and General Counsel</i>	Kerstin Renard <i>Executive Vice President Corporate Human Resources</i>	Karin Falk <i>Executive Vice President Corporate Strategy & Brand Portfolio</i>	Henry Sténson <i>Executive Vice President Corporate Communication & Sustainability Affairs</i>
	M. Sc. Engineering.	Master of Science.	Master of Laws.	B. Sc. Sociology.	B. Sc. Business Admin- istration.	
1967	1961	1961	1964	1961	1965	1955
Has held various senior positions in the financial areas in the Volvo Group, most recently as Senior Vice President and CFO 2008–2011. Prior to that Vice President and Head of Corporate Finance at AB Volvo. Member of the Group Executive Team since 2008. With Volvo since 1988.	President and CEO of Volvo Buses 2003–2011. President of Volvo Logistics 2000–2003. Member of the Group Executive Team since 2003. With Volvo since 1986.	Chief Financial Officer & Senior Vice President Finance Volvo Car Corporation 2011–2013. CFO MAN Diesel & Turbo SE 2010. CFO MAN Diesel SE 2008–2009. Group Vice President and CFO Scania AB 2001–2006. President of Business Unit Finance AB Volvo 1999–2001. Senior Vice President & Finance Director Scania AB 1998–1999. Member of the Group Executive Team since 2014. With Volvo 1999–2001 and since 2014.	Responsible for Corporate Legal & Compliance and General Counsel of the Volvo Group since April 1, 2013. Head of Corporate Legal at AB Volvo 1998–2013. Corporate Legal Counsel at AB Volvo 1994–1997. Member of the Group Executive Team since April 1, 2013. With Volvo since 1994. Secretary to the Board of Volvo since April 1, 2013.	Senior Vice President Human Resources for the Volvo Group 2007–2011. Prior to that Senior Vice President Human Resources & Communication at Volvo Powertrain 2005–2006. Member of the Group Executive Team since 2012. With Volvo since 2005.	Has held various positions within the Volvo Group, most recently as President of Volvo Group NAP (Non-Automotive Purchasing) 2008–2011. Member of the Group Executive Team since 2012. With Volvo 1988–1999 and since 2008.	2012–2014 Brunswick Group Partner. Senior Vice President Corporate Communications Ericsson 2002–2011. Senior Vice President SAS Group Communications 1998–2002. Senior Vice President Communications Volvo Car Corporation 1995–1998. Vice President Automotive Communication AB 1993–1994. Vice President Communications & Public Affairs Volvo Aero 1989–1993. Member of the Group Executive Team since 2015. With Volvo 1989–1993 and 1995–1998 and since 2015.
	Board member of the Confederation of Swedish Enterprise. Chairman of the Industry Assembly, UITP Vice-President.			Board member Teknikföretagen.		Board member Vestas Wind Systems A/S, Denmark.
115,154 shares, including 114,262 Series B shares.	74,064 shares, including 72,439 Series B shares.	8,530 Series B shares.	39,598 shares, including 38,153 Series B shares.	26,059 shares, including 25,899 Series B shares.	18,995 shares, including 16,755 Series B shares.	10,300 Series B shares

Group Management

number of performance shares per invested share could be allotted. As for the matching shares, no allotment will be made for a yearly plan if the Annual General Meeting held the following year resolves that no dividend should be distributed to the shareholders. Allotment of performance shares is conditional on the Volvo Group's ROE reaching at least 10 percent for the annual plan 2014, 11 percent for the annual plan 2015 and 12 percent for the annual plan 2016. Maximum allotment of performance shares is effected if ROE reaches 25 percent for the annual plan 2014, 26 percent for the annual plan 2015 and 27 percent for the annual plan 2016. Maximum allotment of performance shares under a yearly plan amounts to seven shares per invested share for the CEO, six shares per invested share for Group Executive Team members and five shares per invested share for other participants.

The Remuneration Committee conducts an annual evaluation of the remuneration policy, Volvo's system for variable remuneration to executives and the long-term, share-based incentive program to senior executives, and the Board prepares a special report of this evaluation and the conclusions. The report on the evaluation for 2014 will be available on Volvo's website no later than two weeks prior to the Annual General Meeting 2015, www.volvogroup.com. For more information about remuneration to the Group Executive Team and an account of outstanding share and share-price related incentive programs to the management, refer to Note 27 in the Group's notes in the Annual Report.

Changes to the Group Executive Team

As a result of the merger of the previous three sales regions in the truck operation into a single global sales organization, and with the purpose of creating a smaller and more efficient management team, the number of members of the Group Executive Team was reduced from 16 to 10 including the CEO as from January 1, 2015. This was achieved by the following changes:

- The merger of the three sales and marketing organizations in Group Trucks resulting in one Group Executive Team member instead of three.
- The head of Volvo Construction Equipment and the head of Volvo Financial Services are no longer members of the Group Executive Team. The head of Volvo Construction Equipment will continue to report to the Executive Vice President Business Areas and the head of Volvo Financial Services will continue to report to the Group's Chief Financial Officer.
- Corporate Process & IT has been relocated organizationally under the Group's Chief Financial Officer.
- The Corporate Sustainability & Public Affairs and Corporate Communication staff functions were merged into a single unit resulting in one Group Executive Team member instead of two.

After the organizational change, the Group Executive Team comprises of the CEO, the Executive Vice Presidents of the three Group Trucks divisions, the Executive Vice President Business Areas, and the Executive Vice Presidents of the five Corporate Functions.

On January 1, 2015, Henry Sténson joined the Volvo Group and the Group Executive Team, and assumed the position as Executive Vice President Corporate Communication & Sustainability Affairs.

10 Internal control over financial reporting

The Board is responsible for the internal controls according to the Swedish Companies Act and the Code. The purpose of this report is to provide shareholders and other interested parties with an understanding of how internal control is organized at Volvo with regard to financial reporting. The description has been designed in accordance with the Swedish Annual Accounts Act and is thus limited to internal control over financial reporting.

Introduction

Volvo has a function for internal control with the objective to provide support for management, allowing them to continuously provide solid and improved internal controls relating to financial reporting. Work that is conducted through this function is primarily based to ensure compliance with directives and policies, and to create effective conditions for specific control activities in key processes related to financial reporting. The Audit Committee is informed of the results of the work performed by the Internal Control function within Volvo with regard to risks, control activities and follow-up on the financial reporting.

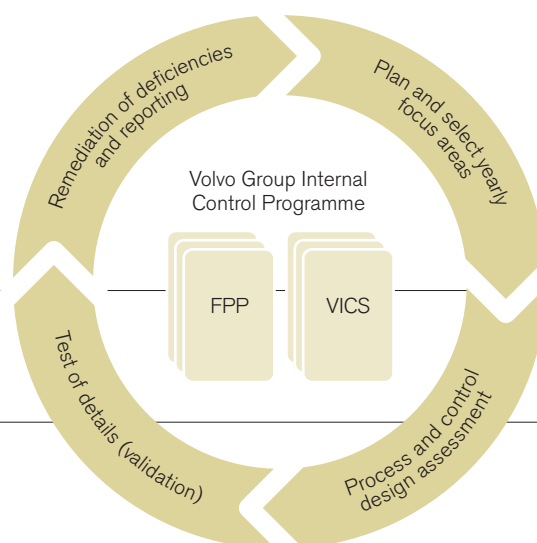
Volvo also has a Corporate Audit function with the primary task of independently monitoring that companies in the Group follow the principles and rules that are stated in the Group's directives, policies and instructions for financial reporting. The head of the Corporate Audit function reports directly to the CEO, and to the Group's General Counsel and the Board's Audit Committee.

Control environment

Fundamental to Volvo's control environment is the business culture that is established within the Group and in which managers and employees operate. Volvo works actively on communications and training regarding the company's basic values as described in The Volvo Way, an internal document concerning Volvo's business culture, and the Group's Code of Conduct, to ensure that good morals, ethics and integrity permeate the organization.

The foundation of the internal control process relating to the financial reporting is based on the Group's directives, policies and instructions, as well as the organization's responsibility and authority structure. The principles for internal controls and directives and policies for the financial reporting are contained in Volvo Financial Policies & Procedures (FPP), an internal document comprising all important instructions, rules and principles.

Volvo Group Internal Control Programme
Yearly evaluation of the effectiveness of internal control over financial reporting (ICFR) within the Volvo Group.



Auditor's report on the Corporate Governance Report

Risk assessment

Risks relating to financial reporting are evaluated and monitored by the Board through the Audit Committee inter alia through identifying risks that could be considered as material, and through the mitigating control objectives. The risk assessment is based on a number of criteria, such as the complexity of the accounting principles, revaluation principles of assets or liabilities, complex and/or changing business circumstances, etc. The risks together with mitigating control objectives are collected in a framework for internal control over financial reporting, Volvo Internal Control Standard (VICS).

Control activities

In addition to the Board of AB Volvo and its Audit Committee, the management groups and other decision-making bodies in the business areas, Group Functions and Group companies constitute overall supervisory bodies. Business processes are designed to ensure that potential errors or deviations in the financial reporting are prevented, discovered and corrected by implementing control activities that correspond to the control objectives defined in the VICS framework. Control activities range from review of outcome results in management group meetings to specific reconciliation of accounts and analyses of the ongoing processes for financial reporting.

Information and communication

Policies and instructions relating to the financial reporting are updated and communicated on a regular basis from management to all affected employees. The Group's financial reporting function has direct operating responsibility for the daily financial reporting and works to ensure a uniform application of the Group's policies, principles and instructions for the financial reporting and to identify and communicate shortcomings and areas of improvement in the processes for financial reporting.

Follow-up

Ongoing responsibility for follow-up rests with the Group's financial reporting function. In addition, the Corporate Audit and the Internal Control functions conduct review and follow-up activities in accordance with what is described in the introduction of this report. More specifically, the Internal Control function runs and coordinates evaluation activities through the "Volvo Group Internal Control Programme," with the purpose of systematically evaluating the quality of the internal control over financial reporting on an annual basis. An annual evaluation plan is established and presented to the Audit Committee. This evaluation program comprises three main areas:

1. Group-wide controls: Self-assessment procedure carried out by management teams at business area, Group Function and company levels. The main areas evaluated are compliant with the Group's financial directives and policies found in FPP, The Volvo Way and the Group's Code of Conduct.
2. Process controls at transaction level: Processes related to the financial reporting are evaluated by testing procedures/controls based on the framework for internal control over financial reporting, Volvo Internal Control Standards (VICS).
3. General IT controls: Processes for maintenance, development and access management of financial applications are evaluated by testing procedures and controls.

The results of the evaluation activities are reported to Group management and the Audit Committee.

To the annual meeting of the shareholders of AB Volvo (publ), corporate identity number 556012-5790

It is the Board of Directors who is responsible for the Corporate Governance Report for the year 2014 on pages 90–107 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

In our opinion, the Corporate Governance Report has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Göteborg, February 26, 2015

PricewaterhouseCoopers AB

Peter Clemetson
Authorized Public Accountant
Lead Partner

Johan Rippe
Authorized Public Accountant
Partner

Göteborg, February 26, 2015
AB Volvo (publ)
The Board of Directors