

ANNUAL GENERAL MEETING OF AB VOLVO (publ)

AB Volvo (publ) hereby gives notice to attend the Annual General Meeting at Konserthuset, Götaplatsen, Göteborg, Wednesday, April 6, 2016, at 3.00 p.m. Registration to the Annual General Meeting starts at 1.30 p.m.

Proposed agenda

Matters:

1. Opening of the Meeting
2. Election of Chairman of the Meeting
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
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
11. Resolution regarding discharge from liability of the Board members and of the President
12. Determination of the number of Board members and deputy Board members to be elected by the Meeting
13. Determination of the remuneration to the Board members
14. Election of the Board members

The Election Committee's proposal:

- 14.1 Matti Alahuhta
- 14.2 Eckhard Cordes
- 14.3 James W. Griffith
- 14.4 Martin Lundstedt (new election)
- 14.5 Kathryn V. Marinello
- 14.6 Martina Merz
- 14.7 Hanne de Mora
- 14.8 Håkan Samuelsson (new election)
- 14.9 Helena Stjernholm (new election)
- 14.10 Carl-Henric Svanberg
- 14.11 Lars Westerberg

15. Election of the Chairman of the Board

The Election Committee's proposal:

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

16. Election of members of the Election Committee
17. Resolution regarding amendment of the Instructions for the AB Volvo Election Committee
18. Resolution regarding Remuneration Policy for senior executives

Motions

Point 2: The Election Committee proposes Sven Unger, Attorney at law, to be the Chairman of the Meeting.

Point 10: The Board proposes payment of a dividend of SEK 3.00 per share. Friday, April 8, 2016, is proposed as the record date to receive the dividend. If the Annual General Meeting resolves in accordance with the proposal, payment of the dividend is expected to be performed through Euroclear Sweden AB on Wednesday, April 13, 2016.

Point 12: The Election Committee proposes eleven members and no deputy members.

Point 13: The Election Committee proposes that the Board remuneration remain unchanged, meaning that the Chairman of the Board will be 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 remain unchanged, meaning that the Chairman of the Audit Committee will be awarded SEK 300,000 and the other members of the Audit Committee SEK 150,000 each and that the Chairman of the Remuneration Committee will be awarded SEK 125,000 and the other members of the Remuneration Committee SEK 100,000 each.

Point 14-15: Anders Nyrén has informed the Election Committee that he will not stand for re-election. The Election Committee proposes that the following candidates are elected as Board members.

Matti Alahuhta
Eckhard Cordes
James W. Griffith
Martin Lundstedt (new election)
Kathryn V. Marinello
Martina Merz
Hanne de Mora
Håkan Samuelsson (new election)
Helena Stjernholm (new election)
Carl-Henric Svanberg
Lars Westerberg

The Election Committee proposes re-election of Carl-Henric Svanberg as Chairman of the Board. A presentation of the candidates proposed by the Election Committee is available on AB Volvo's website; www.volvokoncernen.se or www.volvogroup.com.

Point 16: The Election Committee proposes that Bengt Kjell, representing AB Industrivärden, Lars Förberg, representing Cevian Capital, Yngve Slyngstad, representing Norges Bank Investment Management, Pär Boman, representing Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktagonen, and the Chairman of the Board are elected members of the Election Committee and that no fees are paid to the members of the Election Committee.

Point 17: The Election Committee proposes that the Annual General Meeting resolves to amend the Instructions for the AB Volvo Election Committee. The proposed changes entail a certain modernization and update of the language used, as well as an adaptation to include amendments in the Swedish Corporate Governance Code. The complete proposal is available on AB Volvo's website; www.volvokoncernen.se or www.volvogroup.com.

Point 18: The Board proposes that the Annual General Meeting resolves to adopt the following Remuneration Policy for senior executives.

This policy concerns the remuneration and other terms of employment for the members of the Volvo Group Executive Board (“Executives”).

The remuneration and the other terms of employment of the Executives shall be competitive so that the Volvo Group can attract and retain competent Executives. The total remuneration to Executives consists of fixed salary, short-term and long-term incentives, pension and other benefits. Short-term and long-term incentives shall be linked to predetermined and measurable criteria relating to EBIT and cash flow targets for the Volvo Group, devised to promote the long-term value creation of the Volvo Group and strengthen the link between achieved performance targets and reward. The criteria for short-term and long-term incentives shall be determined by the Board annually.

Short-term incentive may, as regards the President & CEO, amount to a maximum of 100 % of the fixed salary and, as regards other Executives, a maximum of 80 % of the fixed salary.

Long-term incentive may, as regards the President & CEO, amount to a maximum of 100 % of the fixed salary and, as regards other Executives, a maximum of 80 % of the fixed salary. The Board of Directors has decided on a new cash-based long-term incentive program for the Group’s top 300 executives, including the Executives, subject to the general meeting’s approval of this policy. Awards under the program, based on how well the performance targets are achieved, are disbursed in cash to the participants on the condition that they invest the net award in AB Volvo shares and that they retain the shares for at least three years. The long-term share-based incentive program resolved by the 2014 Annual General Meeting is therefore discontinued after 2015. New share-based incentive programs, will, where applicable, be resolved by the General Meeting, but no such program is currently proposed.

For Executives resident in Sweden, the notice period upon termination by the company shall not exceed 12 months and the notice period upon termination by the Executive shall not exceed 6 months. In addition, in the event of termination by the company, the Executive may be entitled to a maximum of 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.

Authority to decide on deviations from this policy

The Board of Directors may deviate from this policy if there are special reasons to do so in an individual case.

Additional information

Executive compensation, which has been decided but which has not yet become due for payment by the time of the 2016 Annual General Meeting, falls within the scope of this policy. Additional information regarding remuneration is available in the Volvo Group Annual Report for 2015.

Documents

The complete proposals by the Election Committee and its statement explaining the proposals are available at www.volvogroup.com and www.volvokoncernen.se.

The Annual Report, the Auditor’s Report and the Auditor’s statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act will be available at www.volvogroup.com and www.volvokoncernen.se, and at AB Volvo’s Headquarters, Amazonvägen, Torslanda, Göteborg, from March 16, 2016 at the latest.

The documents will be sent on request to such shareholders who provide their address from the date they become available. The documents will also be available at the Annual General Meeting.

The number of shares and votes

When this notice to attend the Annual General Meeting was issued, the total number of shares in the Company was 2,128,420,220, distributed among 505,481,960 series A shares (1 vote per series A share), and 1,622,938,260 series B shares (1/10 vote per series B share). The total number of votes was 667,775,786. The Company's holding of own shares amounted to 97,373,863, distributed among 20,728,135 series A shares and 76,645,728 series B shares, corresponding to 28,392,707.8 votes. The Company may not vote using its treasury shares.

Information at the Annual General Meeting

Upon request by any shareholder and where the Board believes that such may take place without significant harm to the Company, the Board and the President should provide information at the Annual General Meeting in respect of any circumstances which may affect the assessment of a matter on the agenda, and any circumstances which may affect the assessment of the Company's or a subsidiary's financial position and as regards the Company's relationship to other Group companies.

Right to participate in the Annual General Meeting

Participation in AB Volvo's Annual General Meeting is limited to those who are recorded as shareholders in the share register maintained by Euroclear Sweden AB on March 31, 2016 and who no later than March 31, 2016 give notice of their intention to participate in the Annual General Meeting to AB Volvo.

Shares registered in the name of a nominee

To be entitled to participate in the Annual General Meeting, shareholders having their shares registered in the name of a nominee must request the nominee to enter the shareholder into the share register. Such registration, which can be temporary, must have been effected by March 31, 2016 and should therefore be requested well in advance of March 31, 2016. Nominees normally charge a fee for this.

Notice

Notice of intention to participate in the Annual General Meeting can be given:

- by telephone, +46 8 402 90 76
- by mail addressed to AB Volvo (publ), "AGM", P.O. Box 7841, SE-103 98 Stockholm, Sweden
- on AB Volvo's website; www.volvogroup.com and www.volvokoncernen.se

In providing such notice, the shareholder should state:

- name
- personal registration number (corporate registration number)
- address and telephone number
- name and personal registration number of the proxy, if any
- the number of any accompanying assistant(s) (maximum two assistants)

Shareholders who wish to participate in the Annual General Meeting must submit notice prior to expiration of the notice period on March 31, 2016. If you wish to be accompanied by an assistant, notification to this effect must be provided as specified above. Please note that notice of intention to participate could be given per telephone no later than 4.00 p.m. on March 31, 2016.

Shareholders who are represented by proxy must issue a written, dated proxy for the representative. Such proxy forms are available at www.volvogroup.com or www.volvokoncernen.se. The proxy, in its original, should be sent to the Company at the above address well in advance of the Annual General Meeting. The proxy may not be older than one year unless it states that it is valid for a longer period of time, although the validity of the proxy may not exceed five years. If the proxy is issued by a legal entity, a certified copy of the certificate of registration or an equivalent certificate of authority must be submitted to the company. Note that shareholders who are represented by proxy must notify the Company of their participation

according to the above instructions and be registered as shareholders in the share register on March 31, 2016.

Miscellaneous

The main entrance of Konserthuset opens at 1.30 p.m. A light meal will be served in the foyer before the Annual General Meeting.

Göteborg, March 2016

AB Volvo (publ)

The Board of Directors