

N.B. The English text is an in-house translation.

The Board's of AB Volvo (publ) proposal on reduction of the share capital by way of cancellation of own shares and resolve to increase the share capital by way of a bonus issue without the issuance of new shares

The Board of AB Volvo (publ) (the "**Company**" or "**Volvo**") proposes that the Annual General Meeting resolves to reduce the share capital by way of cancellation of own shares and increase of the share capital by way of a bonus issue, in accordance with item (A) – (B) below. The resolutions are contingent of each other and are therefore proposed to be adopted as one resolution.

(A) Reduction of the share capital by way of cancellation of own shares

The Board proposes that the Annual General Meeting resolves to reduce the Company's share capital by SEK 113,961,763.2 for allocation to unrestricted equity. The reduction shall be made through cancellation of 20,728,135 series A shares and 74,240,001 series B shares held by the Company.

(B) Bonus issue without the issuance of new shares

The Board proposes that the Annual General Meeting resolves to increase the share capital through a bonus issue of SEK 122,007,125.04, such amount being transferred from unrestricted equity (according to the Company's balance sheet to be adopted by the Annual General Meeting 2020). The bonus issue shall be carried out without issuance of new shares.

Attached to this proposal are (i) a statement from the Board of the Company in accordance with chapter 20 section 13 of the Swedish Companies Act, and (ii) a statement from the auditor of the Company in accordance with chapter 20 section 14 of the Swedish Companies Act.

Two authorized signatories of the Company shall, jointly, be entitled to make such minor adjustments in this resolution that may be necessary in connection with the registration thereof and in relation to Euroclear Sweden AB.

Göteborg in March 2020

AB Volvo (publ)
The Board of Directors

The Board's statement pursuant to chapter 20 section 13 of the Swedish Companies Act

The resolution to reduce the Company's share capital may be carried out without obtaining consent from the Swedish Companies Registration Office since the Company simultaneously carries out a bonus issue through which the share capital is increased with SEK 122,007,125.04 by transfer from unrestricted equity. The result is that neither the Company's restricted equity nor its share capital decreases. After the reduction of the share capital and bonus issue, the Company's share capital will amount to SEK 2,562,149,625.84 divided on 2,033,452,084 shares based on the total number of shares in the Company when the notice to attend the Annual General Meeting 2020 was issued.

Göteborg in March 2020

AB Volvo (publ)
The Board of Directors



Opinion of the Auditor according to Chapter 20, Section 14 of the Swedish Companies Act (2005:551) regarding the Board of Directors' statement for special redemption terms and conditions etc.

To the Annual General Meeting of AB Volvo AB (publ), corporate identity number 556012-5790

We have reviewed the Board of Directors' statement for special redemption terms and conditions, dated 2020-01-28.

The Board's responsibility of the statement

The board has the responsibility to prepare the statement for special redemption terms and conditions according to the Swedish Companies Act. The Board has a responsibility to evaluate internal controls that it deems necessary for development of the proposal that demonstrate the proposal is without significant misstatement from fraud or error.

Auditor's responsibility

Our responsibility is to report on the statement for special redemption terms and conditions etc. based upon our review. We conducted the review according to FARs recommendation RevR9 "Auditor's Other Statements Pursuant to the Swedish Companies Act and the Companies regulation". This review provides an assessment of reasonable assurance that the Board's proposal does not contain material misstatements. The firm applies ISQC 1 (International Standard on quality control) and thus has a comprehensive quality control system, which includes documented policies, and procedures that comply with ethical requirements, standards of professional practice and the relevant requirements of laws and regulations.

We are independent of AB Volvo (publ) in accordance with professional ethics for accountants in Sweden and have fulfilled our ethical responsibilities in accordance with these requirements.

The review involves the performance of procedures that obtain evidence about the financial information and other related information within the Board's statement. The auditor decides which actions to take, including by assessing the risks of material misstatement of the proposal, whether due to fraud or error. The risk assessments performed by the auditor consider internal controls relevant to the Board's proposal to design review procedures that are appropriate, but not for the purpose of providing an opinion on the effectiveness of internal controls. The review also includes an evaluation of the appropriateness of and reasonableness of the Board's assumptions. We believe that the evidence we have obtained is sufficient and appropriate as basis for our statement

Statement

We conclude that

- The Board of Director's statement, regarding the being redeemed by the company is true and fair, and
- the actions taken, which means that neither the company's restricted equity or share capital decrease, are appropriate and that the assessments made about the effects of these actions are correct.

Other information

This statement has the sole purpose to fulfil the requirements of Chapter 20, section 14 of the Swedish Companies Act and may not be used for any other purpose.

Gothenburg, March 3 2020
Deloitte AB

Jan Nilsson
Authorized Public Accountant