

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