



AB Volvo

## Press Information

# Annual General Meeting of AB Volvo

**The Annual General Meeting of AB Volvo held on April 1, 2009 approved the Board's proposal to pay an ordinary dividend to the shareholders of SEK 2.00 per share. April 6, 2009 was adopted as the record date for entitlement to receive dividends. Payment of the dividend is expected to be made on Thursday, April 9, 2009, through Euroclear Sweden AB (formerly VPC AB).**

The Board Members and the President were granted discharge from liability for their administration during the 2008 fiscal year.

Peter Bijur, Leif Johansson, Finn Johnsson, Louis Schweitzer, Ravi Venkatesan, Lars Westerberg and Ying Yeh were reelected members of the Board of AB Volvo and Jean-Baptiste Duzan and Anders Nyrén were newly elected. Finn Johnsson was elected Chairman of the Board. Tom Hedelius and Philippe Klein did not stand for reelection.

The individual fees to be paid to the members of the Board were adopted at the same level as in 2008, to be distributed among the members as follows. The Chairman of the Board was awarded SEK 1,500,000 and each of the other members SEK 500,000 with the exception of the President, who does not receive director fees. In addition, the Chairman of the Audit Committee was awarded SEK 250,000, the other two members of the Audit Committee SEK 125,000 each and the members of the Remuneration Committee SEK 75,000 each.

Chairman of the Board Finn Johnsson, Carl-Olof By, representing AB Industrivärden, Lars Förberg, representing Violet Partners LP, Lars Öhrstedt, representing AFA Försäkring, and Thierry Moulouguet, representing Renault s.a.s., were elected members of the Election Committee. The meeting resolved that no fee should be paid to the members of the Election Committee.

The Meeting resolved that Article 7 of the Articles of Association be amended so that notice to attend a General Meeting shall be issued in the form of announcements in Post- och Inrikes Tidningar and on the Company's website, and the fact that notice has been issued shall be announced in Dagens Nyheter and Göteborgs-Posten. The Meeting resolved that this amendment of the Articles of Association be made conditional upon an amendment of the provisions of the Swedish Companies Act (SFS 2005:551) regarding how to issue notice to attend General Meetings entering into

# VOLVO

force, resulting in the resolved wording of Article 7 becoming consistent with the Swedish Companies Act.

The Meeting adopted new policy on the remuneration to senior executives whereby the basic principle shall be that the remuneration and the other terms of employment for senior executives shall be competitive in order to ensure that the Volvo Group can attract and retain competent executives. The executives' fixed salary shall be based on the individual executive's responsibilities and performance. The variable salary may, as regards the President, amount to a maximum of 65% of the fixed annual salary and, as regards the other Executives, it may amount to a maximum of 50% of the fixed annual salary.

The Meeting also resolved to implement a share-based incentive program for senior executives of the Volvo Group relating to the year 2009. Under the program, a maximum of 2,950,000 Series B Volvo shares may be allotted during the first six months of 2010 to a maximum of 275 senior executives, including the members of the Group Executive Committee and other executives nominated by the Board. Shares will be allotted on condition that the Volvo Group's Return On Equity (ROE), calculated on the basis of the Volvo Group's annual report for 2009, exceeds 12%. Maximum allotment will be effected if ROE reaches 15% per cent and shares will be allotted proportionally within the interval. Assuming that the targets are completely fulfilled and that the price of the Volvo share at the date of allotment is SEK 35.50, the maximum cost of the program will be SEK 123 M. The program shall only apply for 2009.

To ensure that Volvo will be able to fulfill its obligations under the program and that this will have only a limited impact on cash flow, the Meeting resolved that Volvo will be permitted to transfer treasury shares to the participants in the program.

April 1, 2009

*Reporters who want more information, please contact: Mårten Wikforss, AB Volvo, +46 31 66 11 27 or +46 705 59 11 49*

Visit <http://www.thenewsmarket.com/volvogroup> to access broadcast-standard video from Volvo Group. You can preview and request video, and choose to receive as a MPEG2 file or by Beta SP tape. Registration and video is free to the media.

The Volvo Group is one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides complete solutions for financing and service. The Volvo Group, which employs about 100,000 people, has production facilities in 19 countries and sells their products in more than 180 markets. Annual sales of the Volvo Group amount to about SEK 300 billion. The Volvo Group is a publicly-held company headquartered in Göteborg, Sweden. Volvo shares are listed on OMX Nordic Exchange Stockholm.

AB Volvo (publ) may be required to disclose the information provided herein pursuant to the Securities Markets Act. The information was submitted for publication at 19.30 p.m. CET, April 1, 2009.