



It is proposed that the record date for determining who is entitled to receive cash dividends shall be April 14, 2008.

The Board of Directors' statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act (2005:551)

In view of the Board of Directors' proposal to the Annual General Meeting to be held 9 April 2008 to decide on the distribution of a dividend of SEK 5.50 per share, the Board hereby makes the following statement in accordance with Chapter 18, Section 4 of the Swedish Companies Act.

The Board concludes that the Company's restricted equity is fully covered after the proposed dividend. The Board further concludes that the proposed dividend is justifiable in view of the parameters set out in Chapter 17, Section 3, second and third paragraphs of the Swedish Companies Act. In connection herewith, the Board wish to point out the following.

The proposed dividend reduces the Company's solvency from 53.9 per cent to 43.4 per cent and the Group's solvency from 25.7 per cent to 23.1 per cent, calculated as per year end 2007. The Board of Directors considers this solvency to be satisfactory with regard to the business in which the Group is active.

According to the Board of Directors' opinion, the proposed dividend will not affect the Company's or the Group's ability to fulfil their payment obligations and the Company and the Group are well prepared to handle both changes in the liquidity and unexpected events.

The Board of Directors is of the opinion that the Company and the Group have capacity to take future business risks as well as to bear contingent losses. The proposed dividend will not negatively affect the Company's and the Group's ability to make further commercially justified investments in accordance with the Board of Directors' plans.

In addition to what has been stated above, the Board of Directors has considered other known circumstances which may be of importance for the Company's and the Group's financial position. In doing so, no circumstance has appeared that does not justify the proposed dividend.

If the Annual General Meeting resolves in accordance with the Board of Directors' proposal, SEK 11,113 M will remain of the Company's non-restricted equity, calculated as per year end 2007.

The Board of Directors has the view that the Company's and the Group's shareholders' equity will, after the proposed dividend, be sufficient in relation to the nature, scope and risks of the business.

Had the assets and liabilities not been estimated at their market value pursuant to Chapter 4, Section 14 of the Swedish Annual Accounts Act, the company's shareholders' equity would have been SEK 272,765,399.00 less.

11. The discharge of the members of the Board and of the President from liability
12. Determination of the number of members and deputy members of the Board of Directors to be elected by the Meeting

**Proposal by the Election Committee:**

Nine members and no deputy members.

All proposals made by the Election Committee and the information and report that according to the Swedish Code of Corporate Governance shall be available on the company's website have been attached to the agenda as Enclosure 4.

## 13. Determination of the remuneration to be paid to the Board of Directors

**Proposal by the Election Committee:**

That the Board for the period until the close of the next Annual General Meeting is awarded an unchanged fee compared with 2007, namely that the Chairman of the Board is awarded SEK 1,500,000 and each of the other members SEK 500,000 with the exception of the President. Further, the Chairman of the Audit Committee is awarded SEK 250,000 and the other two members of the Audit Committee SEK 125,000 each and the members of the Remuneration Committee SEK 75,000 each.

## 14. Election of the Board of Directors

**Proposal by the Nomination Committee, members:**

For the period until the close of the next Annual General Meeting:

re-election of	Peter Bijur,
" -	Tom Hedelius,
" -	Leif Johansson,
" -	Finn Johnsson,
" -	Philippe Klein,
" -	Louis Schweitzer,
" -	Lars Westerberg,
" -	Ying Yeh and
election of	Ravi Venkatesan.

The Election Committee further proposes that Finn Johnsson be elected as Chairman.

The proposed persons have the assignments as shown in Enclosure 1.

The employee organizations have through separate elections designated the following

members:

Martin Linder (organization of salaried employees, PTK)  
 Olle Ludvigsson (plant trade union organizations, LO)  
 Johnny Rönnkvist (plant trade union organizations, LO)

deputy members:

Margareta Öhlin (organization of salaried employees, PTK)  
 Berth Thulin (plant trade union organizations, LO)

## 15. Election of members of the Election Committee

**Proposal by the Election Committee:**

The Election Committee proposes that the Annual General Meeting elects the following persons to serve as members of the Election Committee and resolves that no fees shall be paid to the members of the Election Committee.

- The Chairman of the Board, Finn Johnsson
- Carl-Olof By, AB Industrivärden
- Lars Förberg, representing Violet Partners LP
- Anders Oscarsson, representing SEB Fonder / Trygg Försäkring
- Thierry Moulouguet, representing Renault s.a.s.

16. The Board of Directors' proposal for a decision on the adoption of a Remuneration Policy for senior executives

The proposal is attached hereto as Enclosure 2.

17. The Board of Directors' proposal for a decision on  
A. a new share-based incentive program 2008/2009 for senior executives, and  
B. the transfer of repurchased shares in the Company to the participants in the program

The proposal is attached hereto as Enclosure 3.

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**Peter Bijur**

Born 1942, MBA Marketing, BA Political Science

Member of the Volvo Board since: 2006, member of the Audit Committee.

Board member: Gulfmark Offshore Inc.

Principal work experience: Numerous positions with Texaco Inc, retired as Chairman and Chief Executive Officer in 2001.

**Tom Hedelius**

Born 1939, Master of Business Administration, Hon. Dr. of Economics.

Member of the AB Volvo Board since: 1994, member of the Remuneration Committee.

Board Chairman: AB Industrivärden, B&B Tools AB, Anders Sandrews Stiftelse and Jan Wallanders och Tom Hedelius Stiftelse.

Honorary Chairman: Svenska Handelsbanken.

Vice Chairman: Addtech AB and Lagercrantz Group AB.

Board member: Svenska Cellulosa Aktiebolaget SCA and Lundbergs AB.

Principal work experience: AB Industrikredit; numerous positions with Svenska Handelsbanken (Credit Director, Executive Vice President, President and CEO, Chairman).

**Leif Johansson**

Born 1951, Master of Engineering.

President of AB Volvo and Chief Executive Officer of the Volvo Group since 1997.

Member of the AB Volvo Board since: 1997.

Board member: Bristol-Myers Squibb Company, Svenska Cellulosa Aktiebolaget SCA, Confederation of Swedish Enterprise and The Association of Swedish Engineering Industries. Member of the Royal Swedish Academy of Engineering Sciences.

Principal work experience: Project consultant Indevo; Assistant to President Centro Maskin Morgårdshammar; President Husqvarna Motorcyklar; Division Manager Office Machines Facit Sweden; President Facit; Division Manager AB Electrolux Major Appliances; Division President AB Electrolux Major Appliances; Executive Vice President AB Electrolux; President AB Electrolux; CEO Electrolux Group.

**Finn Johnsson**

Born 1946, Master of Business Administration.

Member of the AB Volvo Board since: 1998. Chairman since 2004, Chairman of the Remuneration Committee.

Board Chairman: Luvata Oy, Thomas Concrete Group AB, Unomedical A/S, KappAhl AB, City Airline and EFG European Furniture Group AB.

Board member: Skanska AB and AB Industrivärden.

Principal work experience: Machine Division at Swedish Match; President Arenco Machine Co., USA; President Swedish Match Europe and Swedish Match Asia; President Tarkett AB; Executive Vice President Stora AB; President Industri AB Euroc; President United Distillers, UK; CEO of Mölnlycke Health Care AB.

**Philippe Klein**

Born 1957

Senior Vice President, CEO/COO Office and Corporate Administration, Nissan Motor Co., Ltd.

Member of the Volvo Board since: 2006.

Principal work experience: Various positions within Renault (from Engine Engineer to Senior Vice President, CEO's Office Renault SA and member of the Renault Management

Committee); Vice President, CEO's Office at Nissan.

**Louis Schweitzer**

Born 1942. Bachelor of Laws.

Member of the AB Volvo Board since: 2001, member of the Remuneration Committee.

Board Chairman: Renault and AstraZeneca Plc. and chairman of the Supervisory Board of Le Monde

Board member: Electricité de France, BNP-Paribas, Véolia, L'Oréal and Vice President of the Philips Supervisory Board.

Principal work experience: Official at French Budget Department; Chief of Staff of Mr Laurent Fabius (Minister of Budget, then Minister for Industry and Research, and Prime Minister), Chairman, French Commission for Equality (since 2005); numerous positions with Renault SA (Chief Financial Officer and Executive Vice President Finance and Planning, President and Chief Operating Officer, Chairman and Chief Executive Officer).

**Ravi Venkatesan**

Born 1963. MBA from Harvard University and a Master's Industrial Engineering from Purdue University.

Chairman of Microsoft Corporation (India) Pvt. Ltd, and responsible for Microsoft's marketing, operational and business development activities in India.

Board Chairman: Junior Achievement India, Non profit organisation

Board member: Thermax, Non Profit Advisory Board Harvard Business School, Advisory Board Indian Institute of Technology

Principal work experience: Before joining Microsoft, Ravi Venkatesan worked for over 17 years with Cummins, Inc, a US-based designer, manufacturer and distributor of engines and related technologies. He served in various leadership capacities at Cummins, including chairman of Cummins India Ltd and managing director of Tata Cummins Ltd, a joint venture between Cummins Inc and Tata Motors Ltd. Under his leadership, Cummins became the leading provider of power solutions and the largest manufacturer of automotive engines in the country.

**Lars Westerberg**

Born 1948, MSc Engineering, Bachelor business administration

Member of the AB Volvo Board since: 2007, member of the Audit Committee.

Board Chairman: Autoliv Inc. and Husqvarna AB.

Board member: SSAB and Plastal AB

Principal work experience: President and CEO of Gränges AB, President and CEO of Esab and President and CEO of Autoliv Inc.

**Ying Yeh**

Born 1948, BA, Literature & International Relations.

President and Chairman of Kodak North Asia Region.

Member of the Volvo Board since: 2006, member of the Audit Committee.

Principal work experience: Journalist NBC, New York. Numerous positions with the U S Government Foreign Service in Burma, Hong Kong, Taiwan and Beijing. Various positions with Eastman Kodak in China.

**POLICY ON REMUNERATION TO SENIOR EXECUTIVES, proposed by the Board of Directors of AB Volvo to be adopted by the Annual General Meeting 2008. (Point 16 on the proposed agenda)**

This Policy concerns the remuneration and other terms of employment for the Group Executive Committee of the Volvo Group. The members of the Group Executive Committee, including the President and any possible Executive Vice President, are in the following referred to as the "Executives".

This Policy will be valid for employment agreements entered into after the approval of the Policy by the Annual General Meeting and for changes made to existing employment agreements thereafter.

1 Guiding principles for remuneration and other terms of employment

The guiding principle is that the remuneration and the other terms of employment for the Executives shall be competitive in order to ensure that the Volvo Group can attract and retain competent Executives.

The annual report 2007 sets out details on the total remuneration and benefits awarded to the Executives during 2007.

2 The principles for fixed salaries

The Executive's fixed salary shall be competitive and based on the individual Executive's responsibilities and performance.

3 The principal terms of variable salary and incentive schemes, including the relation between fixed and variable components of the remuneration and the linkage between performance and remuneration

The Executives may receive variable salaries in addition to fixed salaries. 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, a maximum of 50% of the fixed annual salary.

The variable salary may be based on i.a. the performance of the entire Volvo Group or the performance of the Business Area or Business Unit where the Executive is employed. The performance will be related to the fulfilment of various improvement targets or the attainment of certain financial objectives. Such targets will be set by the Board and may relate to i.a. operating income or cash flow.

On a yearly basis, the Board will evaluate whether a share or share-price related incentive program will be proposed to the Annual General Meeting or not. The Annual General Meeting decides upon such programs. In the report on 2007 operations released on February 6, 2008, it was announced that the Board of Directors has decided to propose that the Annual General Meeting 2008 approve the adoption of a share-based incentive program relating to the financial year 2008.

The Executives are also participating in Volvo's Profit Sharing Program (VPS), which applies to the majority of the Volvo Group's employees and which can give a maximum individual result of SEK 8,500 per year, provided AB Volvo's return on equity (ROE) amounts to 20% or more. Results under VPS are principally placed in Volvo shares and they can be disposed of on the individual level after three years, at the earliest.

#### 4 The principal terms of non-monetary benefits, pension, notice of termination and severance pay

##### 4.1 Non-monetary benefits

The Executives will be entitled to customary non-monetary benefits such as company cars and company health care. In addition thereto in individual cases company housing and other benefits may also be offered.

##### 4.2 Pension

In addition to pension benefits which the Executives are entitled to according to law and collective bargaining agreements, Executives resident in Sweden may be offered defined-contribution plans with annual premiums amounting to SEK 30,000 plus 20% of the pensionable salary over 30 income base amounts. In the defined-contribution plan, the pension earned will correspond to the sum of paid-in premiums and possible return without any guaranteed level of pension received by the employee. In the defined-contribution plan, no definite retirement date is set.

Some of the Executives have earlier been entitled to defined-benefit pension plans, but the majority of the Executives have re-negotiated these to the new system of defined-contribution plans. In connection therewith, agreements have in some cases been reached on individual adjusting premiums in accordance with actuarial calculations.

Previous pension agreements for certain Executives stipulated that early retirement could be obtained from the age of 60. Such agreements are no longer signed and the majority of the Executives that earlier were entitled to such defined-benefits pension plans have agreed to exchange these for defined-contribution plans without any defined point of time for retirement. The premium amounts to 10% of the pensionable salary plus individual adjusting premiums based on actuarial calculations in some cases.

Executives resident outside Sweden may be offered pension benefits that are competitive in the country where the Executives are resident, preferably defined-contribution plans.

##### 4.3 Notice of termination and severance pay

For Executives resident in Sweden, the termination period from the Company will be 12 months and 6 months from the Executive. In addition thereto, the Executive, provided that termination has been made by the Company, will be entitled to 12 months severance pay.

Executives resident outside Sweden may be offered notice periods for termination and severance payment that are competitive in the country where the Executives are resident, preferably solutions comparable to the solutions applied to Executives resident in Sweden.

5. The Board's preparation and decision-making on issues concerning remuneration and other terms of employment for the Group Executive Committee

The Remuneration Committee recommends and the Board decides, on the remuneration and other terms of employment for the President and any possible Executive Vice President. The Remuneration Committee decides on the remuneration and other terms of employment for the other members of the Group Executive Committee, in accordance with the principles decided by the Board.

The Remuneration Committee is further responsible for the review and recommendation to the Board of share and share-price related incentive programs to be decided upon by the Annual General Meeting.

6. Deviations from this Policy

The Board of Directors may deviate from this Policy, except as regards point 3, third paragraph, if there are specific reasons to do so in an individual case.

7. Deviations from an earlier approved Policy

The Board of Directors has, in accordance with section 6 of the Remuneration Policy adopted by the Annual General Meeting 2007, deviated from section 3 of said Policy as regards variable salary to the President. The Board has decided that the President's variable salary shall amount to a maximum of 65% of the fixed annual salary as from January 1, 2008. The reason for the deviation is that the President's remuneration is revised on a calendar year basis and that the Board considered the deviation justified when adjusting the President's total remuneration to the market.

8. Information on earlier decisions on remuneration that has not become due for payment at the time of the Annual General Meeting's consideration of this Policy

The decisions already taken on remuneration to the Executives fall within the frames of this policy, except that some of the Executives have a right to receive 24 months severance pay provided they are above 50 years of age. Further, some Executives have outstanding rights under the employee stock option program under which options were allotted in May 2003. The options may be exercised until May 2008. Information on that program can be found on the Corporate Governance website.

**The Board of Directors' of AB Volvo proposal to the Annual General Meeting 2008 concerning a share-based incentive program and the transfer of shares in the company held by the company itself to the participants in the program. (Point 17 on the proposed agenda)**

- A. The Board proposes, after preparation of the proposal by the Remuneration Committee, that the Annual General Meeting should approve to implement a share-based incentive program during the second financial quarter 2008 (below referred to as the "Program") for senior executives within the Volvo Group. The reason for the proposal is that the Board considers it to be in the interest of the company that the senior executives are given personal incentives that are linked to the financial performance of the Volvo Group. The conditions for the Program are as follows.
1. Under the Program, a maximum of 2,950,000 Series B Volvo shares can be allotted to a maximum of 275 senior executives, including the members of the Group Executive Committee and other executives nominated by the Board (the "Participants"), during the first six months 2009. Shares will be allotted provided the Volvo Group's Return On Equity (ROE), (net income ./ shareholders' equity), calculated on the basis of the Volvo Group's annual report 2008, is higher than 12 per cent. Maximum allotment will be effected if ROE reaches 15 per cent and shares will be allotted proportionally within the interval in accordance with the Board's instructions.
  2. Preferential rights to acquire shares shall accrue to the Participants. Over-subscription is not permitted. The President and CEO Leif Johansson may receive a maximum of 40,000 shares while the other Participants may receive a maximum of 10,000 – 20,000 shares each.
  3. Participants not resident in Sweden at the time of allotment may, to the extent AB Volvo considers it favourable from a cost or administrative perspective, instead of shares, receive an amount in cash corresponding to the market value of the shares at the time of allotment.
  4. The Participants shall not pay anything for their rights under the Program.
  5. The shares to be allotted under the Program shall be existing shares. The company may fulfil its obligations to deliver shares under the Program either through a third party, which would acquire and transfer the shares in its own name, or, subject to the approval by the Annual General Meeting in accordance with item B. below, by transferring shares held by AB Volvo in the company.
  6. A Participant may receive shares or cash only if the Participant remains employed within the Volvo Group at the time of allotment. However, if the Participant retires with pension before allotment, he or she shall be entitled to receive a proportional amount of shares or cash notwithstanding such retirement. Under the Program, the retirement age is 65 or such other age that has been agreed between the Participant and the relevant Volvo company.
  7. Shares may be transferred on one or more occasions.
  8. The chairman of the Board may decide on minor changes of the Program, to the extent such are required in order to satisfy legal requirements governing the implementation of the Program.

9. Assuming that the maximum amount of shares (2,950,000) will be allotted, the company's cost for the Program will amount to a maximum of 319 million kronor including social fees, calculated on a share price at implementation of the Program of 92 kronor.
- B. The Board further proposes that the Annual General Meeting should approve the transfer of shares in the company held by the company itself at any time to the Participants in order to fulfil the company's undertakings in accordance with the Program on the following terms.
1. No more than 2,950,000 Series B shares may be transferred.
  2. Preferential rights to acquire shares shall accrue to the Participants who are entitled to acquire shares in accordance with the terms and conditions of the Program.
  3. The preferential rights of Participants to acquire shares are to be exercised during the first six months 2009.
  4. The Participants shall not pay anything for the shares acquired under the Program.
  5. Shares may be transferred on one or more occasions.

The reason for deviation from shareholders' preferential rights is to minimize the cash flow effects of fulfilling the commitments under the Program.

If a decision by the General Meeting regarding the Board's proposal under item B is to be valid, the decision must be supported by shareholders with at least nine-tenths of both the votes cast and the shares represented at the General Meeting.

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## **Proposals by the Election Committee of AB Volvo to the Annual General Meeting 2008 (updated as per March 31, 2008)**

### **The Election Committee's proposal as regards Chairman of the Annual General Meeting**

The Election Committee proposes Sven Unger, lawyer, to be the Chairman of the Meeting.

### **The Election Committee's proposal as regards the number of members and deputy members of the Board of Directors**

The Election Committee proposes nine members and no deputy members.

### **The Election Committee's proposal as regards remuneration to be paid to the Board of Directors**

The Election Committee proposes that the individual fees shall remain on the same level as 2007. The Election Committee accordingly proposes that the Chairman of the Board is awarded SEK 1,500,000 and each of the other members SEK 500,000 with the exception of the President. It is further proposed that the Chairman of the Audit Committee is awarded SEK 250,000 and the other two members of the Audit Committee SEK 125,000 each and the members of the Remuneration Committee SEK 75,000 each. The Election Committee further recommends the next coming Election Committee to review the fee structure and to evaluate the possibility of introducing a new compensation structure that includes share-related components.

### **The Election Committee's proposal as regards Board members**

The Election Committee proposes the re-election of Peter Bijur, Tom Hedelius, Leif Johansson, Finn Johnsson as Chairman, Philippe Klein, Louis Schweitzer, Lars Westerberg and Ying Yeh. The Election Committee further proposes the election, for the first time, of Ravi Venkatesan.

Information relating to the proposed Board members is set out below.

#### Peter Bijur

Born 1942, MBA Marketing, BA Political Science

Member of the Volvo Board since: 2006, member of the Audit Committee.

Board member: Gulfmark Offshore Inc.

Holdings in Volvo: 3,000 Series B shares

Principal work experience: Numerous positions with Texaco Inc, retired as Chairman and Chief Executive Officer in 2001.

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Mr. Bijur is independent from the company, the company management and the company's major shareholders.

#### Tom Hedelius

Born 1939, Master of Business Administration, Hon. Dr. of Economics.

Member of the AB Volvo Board since: 1994, member of the Remuneration Committee.

Board Chairman: AB Industrivärden, B&B Tools AB, Anders Sandrews Stiftelse and Jan Wallanders och Tom Hedelius Stiftelse.

Honorary Chairman: Svenska Handelsbanken.

Vice Chairman: Addtech AB and Lagercrantz Group AB.

Board member: Svenska Cellulosa Aktiebolaget SCA and Lundbergs AB.

Holdings in Volvo, own and related parties: 13,465 shares, including 3,465 Series B shares.

Principal work experience: AB Industrikredit; numerous positions with Svenska Handelsbanken (Credit Director, Executive Vice President, President and CEO, Chairman).

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee considers Mr. Hedelius independent of the company's major shareholders but not of the company and company management, due to that Tom Hedelius has been a Board member for more than 12 years.

#### Leif Johansson

Born 1951, Master of Engineering.

President of AB Volvo and Chief Executive Officer of the Volvo Group since 1997.

Member of the AB Volvo Board since: 1997.

Board member: Bristol-Myers Squibb Company, Svenska Cellulosa Aktiebolaget SCA, Confederation of Swedish

Enterprise and The Association of Swedish Engineering Industries. Member of the Royal Swedish Academy of Engineering Sciences.

Holdings in Volvo, own and related parties: 304,714 shares, including 297,690 Series B shares, and 50,000 employee stock options.

Principal work experience: Project consultant Indevo; Assistant to President Centro Maskin Morgårdshammar; President Husqvarna Motorcyklar; Division Manager Office Machines Facit Sweden; President Facit; Division Manager AB Electrolux Major Appliances; Division President AB Electrolux Major Appliances; Executive Vice President AB Electrolux; President AB Electrolux; CEO Electrolux Group.

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence and that Leif Johansson is Volvo's CEO, the Election Committee considers Mr. Johansson independent of the company's major shareholders but not of the company and company management.

Finn Johnsson

Born 1946, Master of Business Administration.

Member of the AB Volvo Board since: 1998. Chairman since 2004, Chairman of the Remuneration Committee.

Board Chairman: Luvata Oy, Thomas Concrete Group AB, Unomedical A/S, KappAhl AB, City Airline and EFG European Furniture Group AB.

Board member: Skanska AB and AB Industrivärden.

Holdings in Volvo, own and related parties: 30,000 shares, whereof 15,000 Series B shares.

Principal work experience: Machine Division at Swedish Match; President Arenco Machine Co., USA; President Swedish Match Europe and Swedish Match Asia; President Tarkett AB; Executive Vice President Stora AB; President Industri AB Euroc; President United Distillers, UK; CEO of Mölnlycke Health Care AB.

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Mr. Johnsson is independent from the company, the company management and the company's major shareholders.

Philippe Klein

Born 1957

Senior Vice President, CEO/COO Office and Corporate Administration, Nissan Motor Co., Ltd.

Member of the Volvo Board since: 2006.

Holdings in Volvo: 2,250 Series B shares

Principal work experience: Various positions within Renault (from Engine Engineer to Senior Vice President, CEO's Office Renault SA and member of the Renault Management Committee); Vice President, CEO's Office at Nissan.

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence, the election committee is of the opinion that Mr. Klein is independent from the company and the company management. Philippe Klein is employed by Renault SA and represents Renault SA on the company's Board. Since Renault SA controls more than 10% of the shares and votes in Volvo, he may not in the Election Committee's opinion be considered as independent in relation to one of the company's major shareholders.

Louis Schweitzer

Born 1942. Bachelor of Laws.

Member of the AB Volvo Board since: 2001, member of the Remuneration Committee.

Board Chairman: Renault and AstraZeneca Plc. and chairman of the Supervisory Board of Le Monde

Board member: Electricité de France, BNP-Paribas, Vélolia, L'Oréal and Vice President of the Philips Supervisory Board.

Holdings in Volvo: 10,000 Series B shares.

Principal work experience: Official at French Budget Department; Chief of Staff of Mr Laurent Fabius (Minister of Budget, then Minister for Industry and Research, and Prime Minister), Chairman, French Commission for Equality (since 2005); numerous positions with Renault SA (Chief Financial Officer and Executive Vice President Finance and Planning, President and Chief Operating Officer, Chairman and Chief Executive Officer).

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence, the election committee is of the opinion that Mr. Schweitzer is independent from the company and the company management. Louis Schweitzer is employed by Renault SA and represents Renault SA on the company's Board. Since Renault SA controls more than 10% of the shares and votes in Volvo, he may not in the Election Committee's opinion be considered as independent in relation to one of the company's major shareholders.

Ravi Venkatesan

Born 1963. MBA from Harvard University and a Master's Industrial Engineering from Purdue University. Chairman of Microsoft Corporation (India) Pvt. Ltd, and responsible for Microsoft's marketing, operational and business development activities in India.

Board Chairman: Junior Achievement India, Non profit organisation

Board member: Thermax, Non Profit Advisory Board Harvard Business School, Advisory Board Indian Institute of Technology

Holdings in Volvo: None

Principal work experience: Before joining Microsoft, Ravi Venkatesan worked for over 17 years with Cummins, Inc, a US-based designer, manufacturer and distributor of engines and related technologies. He served in various leadership capacities at Cummins, including chairman of Cummins India Ltd and managing director of Tata Cummins Ltd, a joint venture between Cummins Inc and Tata Motors Ltd. Under his leadership, Cummins became the leading provider of power solutions and the largest manufacturer of automotive engines in the country.

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Mr. Venkatesan is independent from the company, the company management and the company's major shareholders.

#### Lars Westerberg

Born 1948, MSc Engineering, Bachelor business administration

Member of the AB Volvo Board since: 2007, member of the Audit Committee.

Board Chairman: Autoliv Inc. and Husqvarna AB.

Board member: SSAB and Plastal AB

Holdings in Volvo, own and related parties: 40,000 Series A shares

Principal work experience: President and CEO of Gränges AB, President and CEO of Esab and President and CEO of Autoliv Inc.

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Mr. Westerberg is independent from the company, the company management and the company's major shareholders.

#### Ying Yeh

Born 1948, BA, Literature & International Relations.

President and Chairman of Kodak North Asia Region.

Member of the Volvo Board since: 2006, member of the Audit Committee.

Holdings in Volvo: None

Principal work experience: Journalist NBC, New York. Numerous positions with the U S Government Foreign Service in Burma, Hong Kong, Taiwan and Beijing. Various positions with Eastman Kodak in China.

Independence: Considering the demands laid down in the Swedish Code of Corporate Governance regarding the Board's independence, the Election Committee is of the opinion that Ying Yeh is independent from the company, the company management and the company's major shareholders.

#### **The Election Committee's proposal as regards members of the Election Committee**

The Election Committee proposes that the Annual General Meeting elects the following persons to serve as members of the Election Committee and resolves that no fees shall be paid to the members of the Election Committee.

Finn Johnsson, Chairman of the Board

Carl-Olof By, representing AB Industrivärden

Lars Förberg, representing Violet Partners LP

Anders Oscarsson, representing SEB Fonder / Trygg Försäkring

Thierry Moulouguet, representing Renault SAS

#### **Presentation of the activities carried out by the Election Committee**

At the 2007 Annual General Meeting of shareholders in AB Volvo, the following were appointed to the Election Committee.

Finn Johnsson, Chairman of the Board

Carl-Olof By, representing Svenska Handelsbanken, SHB Pension Fund, SHB Pensionskassa, SHB Employee Fund and Oktogonen

Lars Förberg, representing Violet Partners LP

Björn Lind, representing SEB Fonder / Trygg Försäkring

Thierry Moulouguet, representing Renault SAS

The Election Committee held its first meeting on June 11, 2007, at which Thierry Moulouguet was appointed Chairman and it was decided to add another member to the Election Committee. Following this decision, Eva Halvarsson, representing the Second Swedish National Pension Fund – AP2, was appointed to the Election Committee. On the following meeting on August 28, 2007, it was decided to add yet another member representing AB Industrivärden to the Election Committee and, by reason of changes in the shareholder

structure, to replace the member representing the Second Swedish National Pension Fund – AP2 with a member representing AMF Pension. By reason hereof, Eva Halvarsson resigned from the Election committee and Bengt Kjell, representing AB Industrivärden, and Christer Elmehagen, representing AMF Pension, were appointed to the Election Committee.

The Election Committee has held in total 8 meetings. These meetings have mainly been devoted to an evaluation of the performance of the current Board, discussions regarding the need to undertake new recruitment, discussions relating to potential new Board members and discussions regarding the fees to be paid to the Board members.

The evaluation of the current Board has included i.a. a report from the Board Chairman Finn Johnsson to the Election Committee on the Board's recurring self-evaluation process.

The Election Committee was informed at an early stage that Per-Olof Ericsson would not be available for re-election. By reason i.a. hereof, the election committee concluded that a new Board member should be considered. For this reason, the Election Committee decided to engage the services of Egon Zehnder International (EZI), a recruitment consultant, to assist the Election Committee in identifying candidates for future work on the Volvo Board. With the help of EZI, a list of potential Board member candidates was developed, which was thereafter discussed and reduced to a short list of candidates. After EZI had contacted the short-listed candidates, the group of potential candidates was reduced even further and additional information was supplied by EZI and discussed.

After a global and deep search as well as the thorough review of several high talented candidates, the Election Committee was unanimously ready to propose the election of Ravi Venkatesan at the upcoming Annual General Meeting. However, Ravi Venkatesan had not, on the date of the first version of this report, been able to fully complete the internal process necessary to confirm the candidacy and the Election Committee therefore declared that it remained ready to support the nomination in the event the candidacy would be confirmed before the Annual General Meeting. Ravi Venkatesan has now confirmed the candidacy.

At the Election Committee's meetings, the Committee also discussed and formulated proposals to the 2008 Annual General Meeting as regards the other Board members, including the Chairman, the Chairman of the Annual General Meeting, the number of Board members and deputy Board members and the fees to be paid to Board members.

The costs incurred in the Election Committee's discharge of its assignment amounts to SEK 893,170.49, whereof 848,792.02 for the services of EZI, SEK 12,634.66 for travelling expenses, SEK 3,418.56 for teleconference services and SEK 28,325.25 for a report on Director compensation.

The Election Committee regrets that its proposals were not finalized in time to be included in AB Volvo's notice to the Annual General meeting. However, the Election Committee wish to stress that, under the circumstances, it is convinced that it has acted in the best interest of AB Volvo.

March 31, 2008 (original version March 10, 2008)

AB Volvo, Election Committee for the 2008 Annual General Meeting  
through  
Thierry Moulouguet