



AB Volvo

## Press release

# Annual General Meeting of AB Volvo

**The Annual General Meeting of AB Volvo held on April 6, 2011 approved the Board of Directors' motion that a dividend of SEK 2.50 per share be paid to the company's shareholders. The record date for dividends was established as April 11, 2011.**

The income statement and balance sheet as well as the consolidated income statement and the consolidated balance sheet were adopted. In accordance with the Board of Directors' motion, it was resolved that a dividend of SEK 2.50 per share would be paid to the shareholders. April 11, 2011 was established as the record date for receipt of dividends. Disbursement of the dividend by Euroclear Sweden AB is scheduled to occur on Thursday, April 14, 2011.

The Board Members and the President were discharged from liability for their administration during the 2010 fiscal year.

Peter Bijur, Jean-Baptiste Duzan, Leif Johansson, Hanne de Mora, Anders Nyrén, Louis Schweitzer, Ravi Venkatesan, Lars Westerberg and Ying Yeh were reelected as members of the AB Volvo Board. Leif Johansson was reelected for the period extending to August 31, 2011, when he will step down from his assignment as President and Chief Executive Officer of Volvo. In addition, Olof Persson was elected to the Board for the period starting on September 1, 2011, when he will take office as President and Chief Executive Officer of Volvo. Louis Schweitzer was elected Chairman of the Board.

Individual fees payable to the members of the Board were adopted at the following level. The Chairman of the Board was allocated SEK 1,800,000 and each of the other members SEK 600,000 with the exception of the President, who does not receive director fees. In addition, the Chairman of the Audit Committee was allocated SEK 300,000, the other members of the Audit Committee SEK 150,000 each and the members of the Remuneration Committee SEK 100,000 each.

Jean-Baptiste Duzan, representing Renault s.a.s, Carl-Olof By, representing AB Industrivärden, Håkan Sandberg, representing Svenska Handelsbanken, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen, and Lars Förberg, representing Violet Partners LP, were elected members of the Election Committee. The



Meeting resolved that no fees would be payable to the members of the Election Committee.

In accordance with the Board of Directors' motion, new guidelines were adopted for remuneration of senior executives.

The Annual General Meeting adopted a proposal from Renault S.A. and Industrivärden concerning an addendum to AB Volvo's Articles of Association that will permit voluntary conversion of Series A shares to Series B shares. The amendment of the Articles of Association was subject to approval by shareholders representing at least two thirds of the votes cast and the voting rights represented at the Meeting.

Moreover, the Meeting adopted the Board of Directors' motion concerning a long-term share-based incentive program for a maximum of 300 senior executives in the Volvo Group comprising the years 2011 - 2013. The program consists of three annual programs for which the measurement periods are the particular fiscal year. A prerequisite for participation in the program is that the participants invest a proportion of their salary in Volvo shares and retain these shares and continue to be employed by the Volvo Group for at least three years after the investment has been made. Following the close of the three-year period, the main rule is that the participants will be allotted one matching share per invested share and, assuming that the Volvo Group's ROE (return on equity) for the particular fiscal year amounts to at least 10 percent, a number of performance shares. Maximum allotment corresponds to seven shares for the Chief Executive Officer, six shares for other members of Group Management and five shares for other participants in the program for each invested share, subject to the ROE reaching 25 percent.

April 6, 2011

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

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