

ANNUAL GENERAL MEETING OF AB VOLVO (publ)

Shareholders in AB Volvo are hereby invited to attend the Annual General Meeting in Göteborg, Lisebergshallen, entrance from Örgrytevägen, Wednesday, April 5, 2006, at 3:00 p.m.

Agenda

1. Opening of the Meeting
2. Election of Chairman of the Meeting
3. Verification of the voting list
4. Approval of the agenda
5. Election of minutes-checkers and vote controllers
6. Determination of whether the Meeting has been duly convened
7. Presentation of the work of the Board and Board committees
8. Presentation of the Annual Report and the Auditors' Report as well as the Consolidated Accounts and the Auditors' Report on the Consolidated Accounts. In connection therewith, the President's account of the operations
9. Adoption of the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet
10. The disposition to be made of the Company's profits
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
13. Determination of the remuneration to be paid to the Board of Directors
14. Election of the Board of Directors
15. Adoption of revised instructions for the Election Committee and election of members of the Election Committee
16. The Board of Directors' proposal for a decision on amendments to the Articles of Association
17. The Board of Directors' proposal for a decision on the adoption of a Remuneration Policy for the Group Executive Committee
18. The Board of Directors' proposal for a decision on
 - A. a share-based incentive program 2006/2007 for senior executives, and
 - B. the transfer of repurchased shares in the Company to the participants in the program

Motions

Point 2. The Election Committee elected at the 2005 Annual General Meeting proposes Mr Sven Unger, lawyer, to be the Chairman of the Meeting.

Point 10. The Board of Directors proposes that a dividend of SEK 16:75 per share shall be paid in cash. April 10, 2006 is proposed as the record date to receive the cash dividend. Payment of the cash dividend is expected to occur through VPC AB (Swedish Securities Register Center) on April 13, 2006.

Point 12. The Election Committee proposes eight members and no deputy members.

Point 13. The Election Committee proposes that the fee remain unchanged at SEK 4,775,000 and that it be distributed among the members as follows. The Chairman of the Board is awarded SEK 1,350,000 and the other members a total of SEK 2,700,000. 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.

Point 14. The Election Committee proposes the re-election of Per-Olof Eriksson, Tom Hedelius, Leif Johansson, Louis Schweitzer, and Finn Johnsson as Chairman, as well as the election of Ying Yeh, Philippe Klein and Peter Bijur. Ying Yeh is President and Chairman of Kodak North Asia Region, which comprises China, including Hong Kong, Taiwan and Korea. Philippe Klein is a member of Renault SA's management group. Peter Bijur is retired, and worked previously with the Texaco oil company for more than 30 years in positions that included president and chairman. Peter Bijur is a member of the Board of Gulfmark Offshore Inc. and a member of Proudfoot Consulting Company's US Advisory Board. The Election Committee's proposals in accordance with points 12, 13 and 14 are supported by shareholders representing more than half of the total number of votes outstanding.

Point 15. The Election Committee proposes that the Meeting resolve to adopt new instructions for the Election Committee. The proposed change refers to the appointment of a new shareholder representative on the Election Committee in the event, for example, of change of ownership in the Company and mainly implies that the one of the four largest shareholders that do not have a shareholder representative shall appoint the new shareholder representative. The current instructions state that the Chairman of the Board shall formally appoint the new shareholder representative.

The Election Committee further proposes that the Chairman of the Board, Finn Johnsson, Eva Halvarsson, representing the Second Swedish National Pension Fund, Björn Lindh, representing SEB funds and others, Curt Källströmer, representing Svenska Handelsbanken and others and Thierry Moulouguet, representing Renault s.a.s., are elected members of the Election Committee and that no fees shall be paid to the members of the Election Committee.

Point 16. The Board proposes that the wording in paragraph 4 onward in the Articles of Association is changed to new wording as follows.

§4

The Company's share capital shall comprise a minimum of one thousand eight hundred million (1,800,000,000) kronor and a maximum of seven thousand two hundred million (7,200,000,000) kronor.

The number of shares shall be a minimum of 300,000,000 and a maximum of 1,200,000,000.

Two classes of shares may be issued, series A and series B. If shares in both the A and B series are issued, each series may be issued to an amount equivalent to a maximum of ninety-nine hundredths of the total share capital.

In a vote at a General Meeting, series A shares carry one vote and series B shares one-tenth of a vote. Series A shares and series B shares carry equal rights to share in the assets and earnings of the Company.

Should the Company decide to issue new series A and series B shares by way of a cash issue or offset issue, the holders of series A and series B shares shall have a preferential right to subscribe for new shares of the same series in proportion to their existing shareholding (primary preferential right). Shares not subscribed for by virtue of a primary preferential right shall be offered for subscription to all shareholders (subsidiary preferential right). If shares thus offered are insufficient for subscription by virtue of a subsidiary preferential right, the shares shall be distributed among those wishing to subscribe in proportion to their previous shareholding or, to the extent this is not possible, through the drawing of lots.

Should the Company decide to issue new shares of only series A or series B through a cash issue or offset issue, all shareholders, regardless of whether they hold series A shares or series B shares, shall have the preferential right to subscribe for new shares in proportion to their previous shareholding.

Should the Company decide to issue subscription options or convertibles through a cash issue or offset issue, the shareholders shall have a preferential right to subscribe for subscription options in the same way as if the issue applied to the shares that could be newly subscribed for as a result of the option right or the preferential right to subscribe for convertibles in the same way as if the issue applied to the shares for which the convertibles could be exchanged.

The above shall not constitute any restriction on the possibility to decide on a cash issue or offset issue, deviating from the preferential rights of the shareholders.

If the share capital is increased through a bonus issue, new shares in each series shall be issued in proportion to the existing number of shares in each series. Old shares in a specific series shall thus carry entitlement to new shares in the same series. The aforesaid shall not constitute any restriction on the possibility to issue new shares of a new series through a bonus issue, following the requisite amendment to the Articles of Association.

§5

Apart from specially appointed members and deputies, the Company's Board of Directors shall comprise a minimum of six and a maximum of twelve members with a maximum of an equal number of deputies.

§6

The Company shall appoint a minimum of two and a maximum of three auditors and a minimum of two and a maximum of three deputy auditors or a registered firm of auditors.

The Board of Directors is entitled to appoint one or more special auditors or a registered firm of auditors to examine reports or plans prepared by the Board in accordance with the Companies Act in conjunction with a new issue of shares, subscription options or convertibles, which contains stipulations regarding contribution in kind or that subscription shall take place by virtue of a right of set-off or under other terms and conditions, a transfer of the Company's own shares in return for non-cash consideration, a reduction in the share capital or the statutory reserve, a merger or a division of a limited company.

§7

Notice to attend a General Meeting shall be issued in the form of announcements in the *Official Swedish Gazette* and *Dagens Nyheter*. In addition, announcements shall be made in a daily newspaper in

Gothenburg and a daily newspaper in Malmö.

§8

A General Meeting shall be held at one of the following locations, following a decision by the Board, i.e. Gothenburg, Malmö or Stockholm.

Shareholders wishing to attend a General Meeting shall notify the Company not later than 12 noon on the day stated in the notice of the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and shall not fall earlier than the fifth weekday prior to the Meeting.

A shareholder may be accompanied by one or two assistants when attending a General Meeting, but only if the shareholder's notification pursuant to the preceding paragraph includes information to that effect.

Since the Company is registered with the Swedish Securities Register Centre, the right to attend a General Meeting accrues to those entered as shareholders in the printed shareholders' register or the shareholders' register in another form pursuant to Section 7, sub-section 28, paragraph 3 of the Companies Act and refers to the situation five weekdays prior to the General Meeting.

§9

The Company's financial year shall cover the period January 1 up to and including December 31.

The following matters shall be dealt with at the Annual General Meeting:

1. Election of Chairman of the Meeting.
2. Verification of the voting list.
3. Approval of the agenda.
4. Election of minutes-checkers.
5. Determination of whether the Meeting has been duly convened.
6. Presentation of the Annual Report and the Auditors' Report as well as the Consolidated Accounts and the Auditors' Report on the Consolidated Accounts.
7. Adoption of the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet.
8. Appropriation of the Company's profit or loss according to the adopted Balance Sheet.
9. The discharge of the members of the Board and of the President from liability.
10. Determination of the number of members and deputy members of the Board of Directors to be elected by the Meeting.
11. Determination of the remuneration to be paid to the Board of Directors and, where applicable, the auditors.
12. Election of the Board of Directors and, where applicable, auditors and deputy auditors.
13. Other matters that have been duly referred to the General Meeting.

§10

A party that is not a shareholder in the Company shall, subject to terms and conditions decided by the Board, be entitled to attend or in another manner follow the proceedings at a General Meeting.

§11

The Company's shares shall be registered in a Central Securities Depository Register pursuant to the Financial Instruments Accounts Act (1998:1479).

The Board's proposal includes an authorization for the Company's President to make such minor adjustments to the Annual General Meeting's resolution, which may be required in connection with the registration of the resolution with the Companies Registration Office.

The proposal primarily entails that the Articles of Association are adapted to the new Companies Act that came into effect on January 1, 2006 and that certain unnecessary articles are removed.

A decision in accordance with the proposal requires approval by shareholders representing two thirds of the votes cast and the shares represented at the Meeting.

Point 17. The Board proposes that the Annual General Meeting decides to adopt a Remuneration Policy for the Group Executive Committee (the members of the Group Executive Committee, including the President and the Executive Vice President), below referred to as the "Executives", with the following primary contents.

This Remuneration Policy will be valid for employment agreements entered into after the approval of the Remuneration 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.

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 relative importance of 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 amount to 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 fulfillment 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 should be proposed to the Annual General Meeting or not.

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 are offered a defined-contribution plan. 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.

In individual cases, the Company may consider other schemes and mechanisms for pension benefits.

Executives resident outside Sweden are offered pension benefits that are competitive in the country where the Executive is resident.

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.

In individual cases, the Company may consider other notice periods for termination and for severance payment.

Executives resident outside Sweden are offered notice periods for termination and for severance payment that are competitive in the country where the Executive is resident.

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 the 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.

Point 18. A. The Board proposes, after preparation of the proposal by the Remuneration Committee, that the Annual General Meeting resolves to implement a share-based incentive program during the second financial quarter of 2006 (the "Program") for senior executives within the Volvo Group, including members of the Group Executive Committee and other executives that the Board selects ("Participants"). 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 mainly as follows.

1. Under the Program, a maximum of 518,000 series B shares ("Shares") can be allotted to a maximum of 240 Participants during the first six months of 2007. The number of Shares to be allotted shall be related to the degree of fulfillment of certain financial goals for the financial year 2006 determined by the Board.
2. Preferential rights to acquire Shares shall accrue to the Participants. The President and CEO Leif Johansson may receive a maximum of 8,000 Shares while the other Participants may receive a maximum of 2,000 – 4,000 Shares each.
3. Participants not resident in Sweden at the time of allotment shall, 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 fulfill 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 of item B below, by transferring Shares held by the Company (treasury stock).
6. A Participant may receive Shares or cash only, with certain exceptions, if the Participant remains employed within the Volvo Group at the time of allotment.
7. Shares may be transferred on one or more occasions.
8. The Chairman of the Board is entitled to determine additional terms for the Program.
9. Assuming that the maximum amount of Shares (518,000) is allotted and further that the Company transfers Shares through a third party, the cost for the Program would amount to about SEK 230 M including social fees, calculated on a Share price at allotment of SEK 370.

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 fulfill the Company's undertakings in accordance with the Program on the following terms.

1. Not more than 518,000 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 of 2007.
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 deviating from the shareholders' preferential rights is to safeguard and fulfill the commitments under the Program in a cost-effective manner.

If a decision by the Annual 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 Meeting.

The complete text of the Board's proposals, in accordance with Point 16, 17 and 18 will be available at Volvo's Head Office, Volvo Bergegårds väg, Göteborg, Sweden, beginning March 22, 2006 and will be sent on request to such shareholders who provide their address.

Right to participate in the Meeting

Participation in Volvo's Annual General Meeting is limited to shareholders who are recorded in the share register on March 30, 2006 and who advise Volvo not later than 12:00 noon (Swedish local time) on March 30, 2006 of their intention to participate.

Share registration

Volvo's share register is maintained by VPC AB (Swedish Securities Register Center). Only owner-registered shares are listed in the names of the shareholders in the share register. To be entitled to participate in the Annual General Meeting, owners of shares registered in the name of a trustee must have the shares registered in their own names. Shareholders who have trustee-registered shares should request the bank or broker holding the shares to request temporary owner-registration, so-called voting-right registration, several banking days prior to March 30, 2006. Trustees normally charge a fee for this.

Notice to Volvo

Notice of intention to participate in the Meeting may be given

- by telephone to 020-39 14 50 or via Volvo's switchboard +46 31 66 00 00
- in writing to:
AB Volvo (publ)
Legal Department
SE-405 08 Göteborg, Sweden
- via Volvo's website; www.volvo.se or www.volvo.com

In providing such notice, the shareholder should state

- name
- personal registration number (where applicable)/corporate registration number
- address and telephone number
- name and personal registration number of the proxy, if any
- name(s) of any accompanying assistant(s)
- whether you wish to be served coffee

Shareholders who wish to participate in the Meeting, must submit notice prior to expiration of the notice period, not later than March 30, 2006, 12:00 noon (Swedish local time). If you wish to be accompanied by an assistant, notification to this effect must be provided as specified above.

Program for shareholders

1:30-2:15 p.m.	Coffee is served
1:30 p.m.	Doors to Meeting hall open
3:00 p.m.	Annual General Meeting begins

This advertisement is also available at www.volvo.se and at www.volvo.com