

VOLVO

AB Volvo

Volvo Group Anti-Corruption Compliance Policy

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| Issued by | Dept 60, Eva Persson |
| Approved by | Audit Committee |
| Date | June 17, 2009 |
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VOLVO GROUP ANTI-CORRUPTION COMPLIANCE POLICY

1. Introduction

The Volvo group enjoys an invaluable reputation for corporate trustworthiness around the world, based on consistently conducting business ethically and in compliance with the laws and regulations governing its activities.

The Code of Conduct, under the headline “legal Compliance” states:

“In every country in which it operates, the Volvo Group shall abide by the laws and regulations of that country. In situations where the law does not give guidance, the Group applies its own standards based on its corporate values and standards. In cases of conflict between mandatory law and the principles contained in this code, the law shall prevail.”

Under the headline “Relations with Business Partners” the Code of Conduct further states:

“[] The Volvo Group shall not offer customers, potential customers, governments, agencies of governments, or any representatives of such entities, any rewards or benefits in violation of either applicable law or reasonable and generally accepted business practices []”

In addition, under the headline “Political involvement”, the Code of Conduct further states:

“The Volvo Group observes neutrality with regard to political parties and candidates. Neither the names nor the assets of Volvo group companies shall be used to promote the interests of political parties or candidates.”

The Code of Conduct applies to all Volvo Group Employees as well as members of Boards of Directors of Volvo Group Companies.

Anti-corruption is a field in which legal compliance is of paramount importance. The prevention of corrupt practices is in Volvo’s business interest since such practices undermines fair competition and pose an obstacle to sound profitable transactions. Following the above, the Volvo Group shall not participate in corrupt practices. The company shall also take reasonable steps to prevent its business partners from taking part in such practices.

In order to achieve the above, the Volvo Group has launched the Anti-Corruption Compliance Programme (the “Programme”) which consists of a number of actions aimed at preventing the Volvo Group or any of its business partners from taking part in corrupt activities. Such activities are outlined in a number of steering documents that together with this Policy make up the Programme.

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(This document is hereinafter in itself referred to as the “Policy”) The Purpose of this Policy is to outline the actions, tasks and responsibilities as well as the steering documents making up the Programme.

For the purposes of the Programme, “*corruption*” is broadly defined as directly or indirectly offer, promise, accept or solicit anything of value or an advantage as an inducement for an action which is illegal or a breach of trust in the conduct of the Volvo Group’s business.

The relevant legislations consists of (i) national legislation against bribery, (ii) legislation enacted pursuant to the OECD convention making it illegal to bribe foreign public officials and (iii) the US Foreign Corrupt Practices Act .

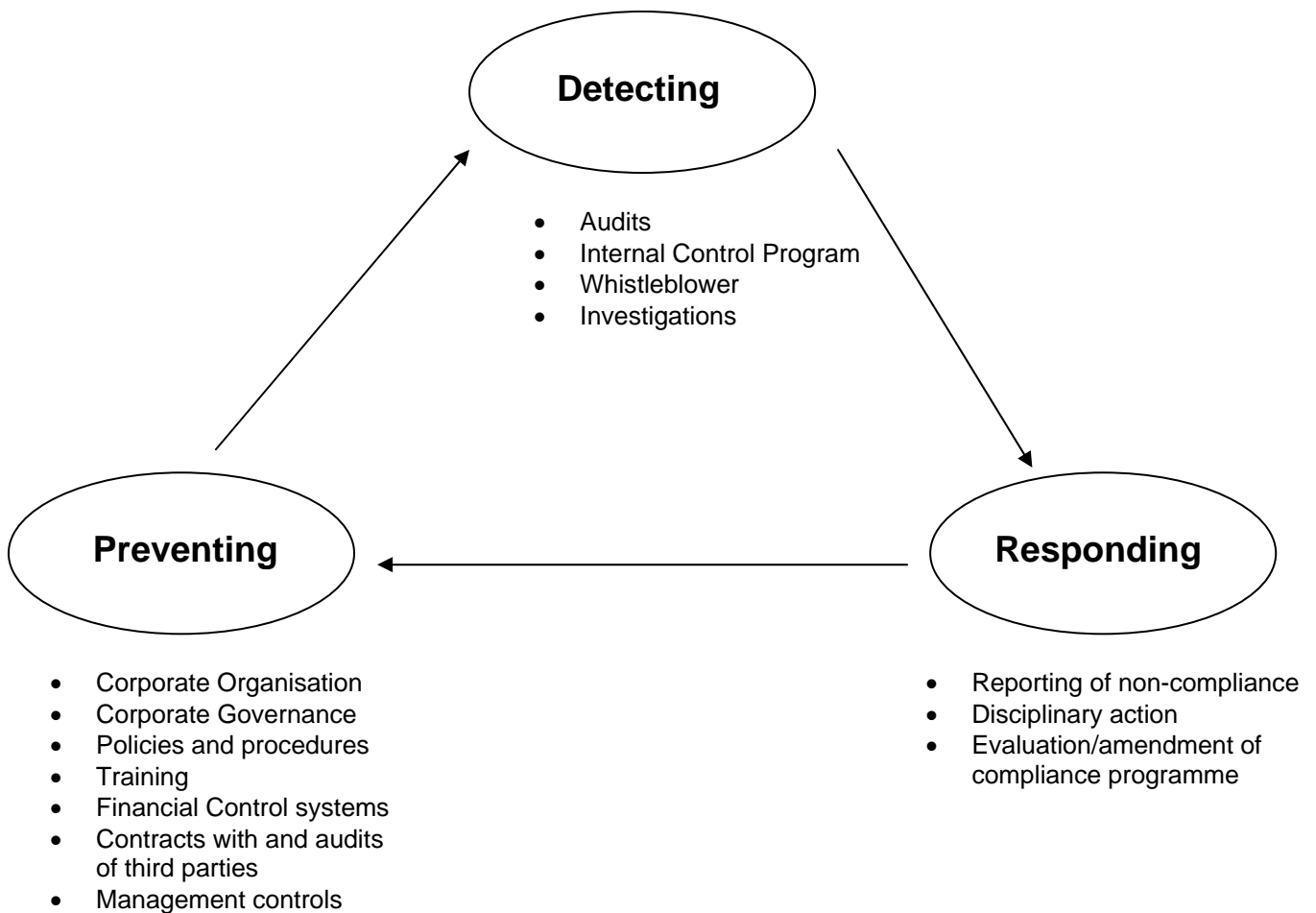
This Policy, as well as other steering documents, are available at the Volvo Group Legal Portal on the Intranet.

This Policy has been adopted by the Audit Committee, AB Volvo.

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2. General Anti Corruption Compliance Procedure

The anti corruption compliance procedure consists of three areas:





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3. Responsibilities

General

The Audit Committee exercises oversight over Anti-Corruption Compliance efforts.

In order to support management on anti-corruption issues, the General Counsel AB Volvo will appoint a Compliance Officer to (i) oversee implementation of the Programme, (ii) lead or participate in training and audits and (iii) lead investigations into alleged non-compliance. The General Counsel AB Volvo will each year approve an annual work plan for the Compliance Officer. Each BA/BU management will appoint at least one person within each BA/BU to work with anti-corruption compliance. Such person shall report to the Chief Compliance Officer on matters of anti-corruption compliance.

The Compliance Officer shall report significant pending cases to the Audit Committee at each ordinary Audit Committee meeting. Once per annum the Compliance Officer shall report (i) the activities for the previous calendar year, including findings from annual Programme review and Management Controls Questionnaire responses, and (ii) the Compliance Officer work plan for the then current calendar year.

BA/BU managements will evaluate regularly, and at least annually, risks of non-compliance and implement appropriate measures to mitigate such risks and the need for other compliance activities. The BA/BU evaluation will be guided by the responses to the Management Controls anti-corruption questions. In responding to the Management Controls, BA/BU management will consider findings from Audits communicated by Internal Audit and the Compliance Officer.

The parties that are named as controllers of steering documents for the Programme in an Appendix to this Policy will update as appropriate the steering documents to adequately address anti-corruption compliance issues.

The Compliance Officer will produce and update as appropriate an Anti-Corruption Handbook that will be made readily available on the intranet. The Handbook shall give general guidance on anti-corruption compliance issues, specific guidance on certain day-to-day matters such as gift giving, entertainment and meals as well as outlining who to contact for advice on specific issues.



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Specifically on Prevention

BA/BU management will ensure that relevant Due Diligence is performed and contractual provisions are used when contracting with third parties. In addition, BA/BU management shall implement adequate controls for the payments to third parties and ensure that third party compliance is periodically audited.

BA/BU Management shall ensure that all new employees receive Code of Conduct, including anti-corruption, training and perform the Code of Conduct Quiz, as well as certify that they will adhere to the Code of Conduct.

BA/BU Management shall ensure that all White Collar employees complete the Code of Conduct Quiz and the Anti-Corruption e-learning at least once every three years and at the same time certify adherence to the Code of Conduct and the Anti-Corruption Handbook.

Training of employees in risk environments shall be made part of the Compliance Officer's annual Work Plan.

Internal Control shall include questions on Code of Conduct and Anti-Corruption Handbook communication and adherence approved by the Compliance Officer in the Management Controls questionnaire distributed each year. Responses will be evaluated by Internal Control together with the Compliance Officer. The results of the evaluations will be communicated back to BA/BU managements.

Specifically on Detection

The Corporate Audit plan for anti-corruption compliance audits for the year is approved by the Audit Committee once per annum. Anti-corruption related findings in audits will continually be reported to BA/BU management. In planning, executing and following up the audits, Corporate Audit shall liaise with the Compliance Officer. Findings from audits are reported by the Compliance Officer to the General Counsel AB Volvo, BA/BU management, as appropriate, and CEO AB Volvo, and periodically to the BA/BU Boards and the Audit Committee.

Corporate Audit will continually receive and handle reports from Whistleblowers. Reports pertaining to corruption issues should be submitted to the Compliance Officer for evaluation and action.

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The Compliance Officer will lead investigations into possible corruption. Findings from investigations are reported by the Compliance Officer to the General Counsel AB Volvo, BA/BU management, as appropriate, and CEO AB Volvo, General Counsel AB Volvo and periodically to the BA/BU Boards and the Audit Committee.

Specifically on Response

In cases non-compliance is found, management will take disciplinary action which is legal, appropriate and proportionate and, in appropriate cases, report the incident(s) to concerned authorities.

Once per annum, the Compliance Officer will together with Corporate Audit and Internal Control review and suggest improvements of the Programme, including steering documents, if any, for approval to the Audit Committee, the CEO, AB Volvo, the General Counsel AB Volvo and other controllers of steering documents as appropriate.

4. Anti Corruption Steering Documents

| Document | Relevant passage | Controller |
|--------------------------|---|-----------------------|
| Code of Conduct | Sections "Legal Compliance" "Relations with Business Partners and "Political Involvement" | Board of Directors |
| Audit Committee Charter | Section "Compliance with Legal and Regulatory requirements" | Board of Directors |
| Compliance Programme | whole | Audit Committee |
| Anti Corruption Handbook | whole | Compliance Officer |
| Whistleblower Procedures | whole | Audit Committee |

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| Anti Corruption e-learning | whole | Compliance Officer |
| Financial Policies & Procedures | Sections on authorization of commissions payments and Petty cash | Chief Financial Officer |
| Management Controls | Questions on Anti-Corruption | Internal Control/ Compliance Officer |
| Agent & Commissions Policy | whole | General Counsel |
| Anti Corruption Due Diligence and template clauses in distribution agreements | whole | General Counsel |
| Anti Corruption Due Diligence and template clauses for Mergers & Acquisitions and Joint ventures | whole | General Counsel |
| Key Elements Procedure 6 | Section 9 | Compliance Officer |
| General Terms of Purchasing | Sections 17.1 and 26.1 | General Purchasing Council |
| Code of Conduct Quiz including certifications | Section on Anti-Corruption | Corporate Social Responsibility/ Compliance Officer |
| Internal Audit Activity Manual | Sections 3.3 and 7 | Corporate Audit |

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Anti-Corruption Audit Programme whole

Corporate
Audit/
Compliance
Officer