



PRESS RELEASE

Annual General Meeting of AB Volvo

AB Volvo's Annual General Meeting will take place on Wednesday, April 8, 2020 at 3.00 p.m. at Konserthuset, Götaplatsen, in Göteborg.

Shareholders who wish to participate at the Annual General Meeting must be recorded as a shareholder in AB Volvo's share register on April 2, 2020 and must also give notice of their intention to participate at the Meeting to AB Volvo no later than April 2, 2020.

Notice of intention to participate at the Meeting may be given by telephone to +46 8 402 90 76, or by mail addressed to AB Volvo (publ), "AGM", c/o Euroclear Sweden AB, P O Box 191, SE-101 23 Stockholm, Sweden, or directly on AB Volvo's website www.volvogroup.com.

Please note that notice of intention to participate could be given per telephone no later than 4.00 p.m. on April 2, 2020.

Media wishing to participate at the Meeting can notify their intention to Media Relations, AB Volvo, at +46 765-53 72 29.

The notice to attend the Annual General Meeting follows below.

Welcome!

AB Volvo

March 4, 2020

For more information, please visit www.volvogroup.com/press

The Volvo Group drives prosperity through transport solutions, offering trucks, buses, construction equipment, power solutions for marine and industrial applications, financing and services that increase our customers' uptime and productivity. Founded in 1927, the Volvo Group is committed to shaping the future landscape of sustainable transport and infrastructure solutions. The Volvo Group is headquartered in Gothenburg, Sweden, employs 104.000 people and serves customers in more than 190 markets. In 2019, net sales amounted to about SEK 432 billion (EUR 40.5 billion). Volvo shares are listed on Nasdaq Stockholm.



Translation of Swedish original

NOTICE TO ANNUAL GENERAL MEETING OF AB VOLVO (publ)

AB Volvo (publ) hereby gives notice to attend the Annual General Meeting at Konserthuset, Götaplatsen, Göteborg, Wednesday, April 8, 2020, at 3.00 p.m. Registration to the Annual General Meeting starts at 1.30 p.m.

Proposed agenda

Matters:

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
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 Auditor's Report as well as the Consolidated Accounts and the Auditor's Report on the Consolidated Accounts. In connection therewith, speech by the President and CEO
9. Adoption of the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet
10. Resolution in respect of the disposition to be made of the Company's profits
11. Resolution regarding discharge from liability of the Board members and of the President and CEO
12. Determination of the number of Board members and deputy Board members to be elected by the Meeting
13. Determination of the remuneration to the Board members
14. Election of Board members
The Election Committee proposes election of the following Board members:
 - 14.1 Matti Alahuhta
 - 14.2 Eckhard Cordes
 - 14.3 Eric Elzvik
 - 14.4 James W. Griffith
 - 14.5 Kurt Jofs (new election)
 - 14.6 Martin Lundstedt
 - 14.7 Kathryn V. Marinello
 - 14.8 Martina Merz
 - 14.9 Hanne de Mora
 - 14.10 Helena Stjernholm
 - 14.11 Carl-Henric Svanberg
15. Election of the Chairman of the Board
The Election Committee proposes re-election of Carl-Henric Svanberg as Chairman of the Board
16. Election of members of the Election Committee
17. Resolution regarding Remuneration Policy for senior executives
18. Resolution regarding amendments to the Articles of Association



19. Resolutions on reduction of the share capital by way of cancellation of own shares and increase of the share capital by way of bonus issue without the issuance of new shares
20. Proposal from the shareholder Carl Axel Bruno regarding limitation of the Company's contributions to Chalmers University of Technology Foundation

Motions

Point 2: The Election Committee proposes Sven Unger, Attorney at law, to be the Chairman of the Meeting.

Point 10: The Board proposes payment of an ordinary dividend of SEK 5.50 per share and an extra dividend of SEK 7.50 per share. Tuesday, April 14, 2020, is proposed as the record date to receive the dividend. If the Annual General Meeting resolves in accordance with the proposal, payment of the dividend is expected to be performed through Euroclear Sweden AB on Friday, April 17, 2020.

Point 12: The Election Committee proposes eleven members and no deputy members.

Point 13: The Election Committee proposes that the Chairman of the Board will be awarded SEK 3,700,000 (3,600,000) and each of the other Board members elected by the Annual General Meeting SEK 1,100,000 (1,060,000) with the exception of the President and CEO. Furthermore, the Election Committee proposes that the Chairman of the Audit Committee will be awarded SEK 390,000 (380,000) and the other members of the Audit Committee SEK 180,000 (175,000) each and that the Chairman of the Remuneration Committee will be awarded SEK 165,000 (160,000) and the other members of the Remuneration Committee SEK 118,000 (115,000) each. The Election Committee finally proposes that the Chairman of the Technology and Business Transformation Committee will be awarded SEK 195,000 (190,000) and the other members of the Technology and Business Transformation Committee SEK 165,000 (160,000) each.

Point 14-15: The Election Committee's proposals are set out in the proposed agenda. A presentation of the candidates proposed by the Election Committee is available on AB Volvo's website; www.volvogroup.com or www.volvokoncernen.se

Point 16: The Election Committee proposes that Bengt Kjell (AB Industrivärden), Anders Oscarsson (AMF and AMF Funds), Ramsay Brufer (Alecta), Carine Smith Ihenacho (Norges Bank Investment Management) and the Chairman of the Board are elected members of the Election Committee and that no fees are paid to the members of the Election Committee.

Point 17: The Board proposes that the Annual General Meeting resolves to adopt the following Remuneration Policy for senior executives.

These guidelines (AB Volvo's remuneration policy) concern the remuneration and other terms of employment for the members of the Volvo Group Executive Board ("Executives").

The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after the proposed adoption of these guidelines by the 2020 annual general meeting. These guidelines do not apply to any remuneration decided or approved by the general meeting. Any new share-based incentive plans will, where applicable, be resolved by the general meeting, but no such plan is currently proposed.



The guidelines' promotion of the Volvo Group's business strategy, long-term interests and sustainability

It is a prerequisite for the successful implementation of the Volvo Group's business strategy and safeguarding of its long-term interests, including its sustainability, that the Group can recruit, retain and develop top executives. These guidelines enable AB Volvo to offer Executives a competitive total remuneration. More information regarding the Volvo Group's business strategy is available in the Volvo Group Annual and Sustainability Report.

Types of remuneration

Volvo Group remuneration to Executives shall consist of the following components: base salary, short-term and long-term variable incentives, pension benefits and other benefits.

Short-term incentives may, for the President & CEO, amount to a maximum of 100 per cent of the base salary and, for other Executives, a maximum of 80 per cent of the base salary.

Long-term incentives may, for the President & CEO, amount to a maximum of 100 per cent of the base salary and, for other Executives, a maximum of 80 per cent of the base salary. The current long-term incentive plan for the Group's top executives, including the Executives, was introduced in connection with the 2016 annual general meeting. The objective of the program is to align the interests of the top executives with those of the Group shareholders. The program does that by a combination of a performance based award and a requirement to purchase and hold AB Volvo shares. The program is funded on an annual basis by an award, measured against performance criteria established by the Board of Directors. The after tax portion of this payment must be immediately invested in AB Volvo shares which must be held for a minimum of three years. In this way, the top executives are rewarded for the performance of the Group each year, and will have a vested interest over the longer term in changes in the value of the shares. At the end of the three year period, top executives may sell their shares, if they meet the requirement for owning shares valued at two years of the pre-tax base salary for the President & CEO and one year of the pre-tax base salary for the other Executives. The holding requirements for the Executives shall cease upon termination of an Executive's employment, and the Board of Directors may grant such other exceptions to the requirements as the Board deems appropriate.

Further cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining Executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 100 per cent of the annual base salary. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

For the President & CEO, pension benefits shall be granted on the basis of a defined contribution plan except where law or collective agreement would require a defined benefit pension. The pensionable salary shall include base salary and short-term incentives. The pension contributions for the President & CEO attributable to the annual base salary shall amount to not more than 35 per cent of the base salary, and contributions attributable to short term incentives shall not exceed the corresponding proportion.

Other benefits may include, for example, life insurance, medical and health insurance, and company cars. Premiums and other costs relating to such benefits may amount to not more than 3 per cent of the annual base salary for the President & CEO.



For other Executives, pension benefits shall be granted on the basis of a defined contribution except where law or collective agreement require a defined benefit pension. The pensionable salary shall include base salary and short-term incentives. The pension contributions for other Executives attributable to the annual base salary shall amount to not more than 40 per cent of the base salary and contributions attributable to short term incentives shall not exceed the corresponding proportion.

Other benefits may include, for example, life insurance, medical and health insurance, and company cars. Premiums and other costs relating to such benefits may amount to not more than 10 per cent of the annual base salary for other Executives.

Remuneration for Executives that reside outside Sweden or reside in Sweden but having a material connection to or having been residing in a country other than Sweden may be duly adjusted to comply with mandatory rules or local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

In addition to remuneration set out above, Executives who relocate for the purposes of the position or who work in other multiple countries may also receive such remuneration and benefits as are reasonable to reflect the special circumstances associated with such arrangements, taking into account the overall purpose of these guidelines and alignment with the general policies and practices within the Volvo Group applicable to cross border work.

Termination of employment

Upon termination of an Executive's employment, the notice period may not exceed twelve months. Base salary during the notice period and severance pay may not together exceed an amount corresponding to the base salary for two years.

Executives that reside outside Sweden or reside in Sweden but having a material connection to or having been residing in a country other than Sweden may be offered notice periods for termination and severance payment as are reasonable to reflect the special circumstances, taking into account the overall purpose of these guidelines and alignment with the general policies and practices within the Volvo Group.

Criteria for awarding variable cash remuneration, etc.

Short-term and long-term incentives shall be linked to predetermined and measurable criteria. The criteria – which for example may relate to EBIT, cash flow, return on capital employed or similar ratios, or sustainability targets – shall be devised to promote the Volvo Group's strategy and long-term value creation and strengthen the link between achieved performance targets and reward. The criteria for short-term and long-term incentives shall be determined by the Board of Directors annually. The satisfaction of the criteria shall be measured over periods of one year each.

To which extent the criteria for awarding variable remuneration has been satisfied shall be determined when the relevant measurement period has ended. The Board of Directors is responsible for the determination of variable remuneration to all Executives.

Claw-back and adjustments

Executives participating in the Volvo Group's current short-term and long-term incentive plans are obligated, in certain circumstances and for specified periods of time, to repay, partially or in its



entirety, variable incentive awards already paid if payments have been made by mistake or been based on intentionally falsified data or in the event of material restatement of the Volvo Group's financial results. Furthermore, the Board of Directors may decide on adjustments of pay-out under the incentive plans (before payment has been made) in case of extraordinary circumstances or to adjust for unforeseen one-timers.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, the Board has considered that the various benefits offered to the Executives need to be aligned with the general structures applicable for employees of AB Volvo at levels that are competitive in the market. Thus, salary and employment conditions for other AB Volvo employees have been taken into account by including information thereon in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are appropriate.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate plans for variable remuneration for Executives, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Group. The members of the Remuneration Committee are independent of AB Volvo and its executive management. The President & CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Volvo Group's long-term interests, including its sustainability, or to ensure the Group's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

Description of material changes to the guidelines

Due to new legislation passed in 2019, the proposed guidelines for executive remuneration submitted to the 2020 annual general meeting are more detailed than before. In addition, the short-term and long-term incentives may be linked to EBIT, cash flow, return on capital employed or similar ratios, or sustainability targets, instead of EBIT and cash flow only.

Point 18: The Board proposes that the Annual General Meeting resolves to amend the Articles of Association. A new section is proposed to be inserted in the Articles of Association allowing the Board to collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, paragraph 2 of the Companies Act and allowing the Board to decide that shareholders shall have the right to provide their votes before a General Meeting. Further, a number of editorial amendments are



proposed and amendments to reflect changes in legislation. The proposed amendments are set out below.

Current wording

Proposed wording

<p>§ 1</p> <p>The name of the Company is Aktiebolaget Volvo. The company is a public company (publ).</p>	<p>§ 1</p> <p>The business name of the Company is Aktiebolaget Volvo. The company is a public company (publ).</p>
<p>§ 8</p> <p>A General Meeting shall be held at one of the following locations, following a decision by the Board, i.e. Göteborg, Malmö or Stockholm.</p> <p>Shareholders wishing to attend a General Meeting shall notify the Company no 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.</p> <p>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 previous paragraph includes information to that effect.</p> <p>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 forma 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.</p>	<p>§ 8</p> <p>A General Meeting shall be held at one of the following locations, following a decision by the Board, i.e. Göteborg, Malmö or Stockholm.</p> <p>Shareholders wishing to attend a General Meeting shall notify the Company no 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.</p> <p>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 previous paragraph includes information to that effect.</p> <p>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 forma 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.</p>
	<p>§ 10</p> <p>The Board may collect powers of attorney in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act (2005:551).</p>



	The Board has the right before a General Meeting to decide that shareholders shall be able to exercise their right to vote by post before the 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).	§ 12 The Company's shares shall be registered in a Central Securities Depository Register pursuant to the Swedish Central Securities Depositories and Financial Instruments (Accounts) Act (1998:1479).

As a consequence of the insertion of a new section 10 a renumbering of sections is proposed, the old § 10 becomes § 11 and the old § 11 becomes § 12.

Point 19: The company holds approximately 95 million own shares (treasury shares). The Board considers that there is no need to retain its holding of treasury shares and the Board proposes that the Annual General Meeting resolves to reduce the share capital by way of cancellation of own shares and an increase of the share capital by way of a bonus issue in order to restore the share capital, in accordance with item (A) – (B) below.

The resolutions are contingent of each other and are therefore proposed to be adopted as one resolution.

(A) Reduction of the share capital by way of cancellation of own shares

The Board proposes that the Annual General Meeting resolves to reduce the Company's share capital by SEK 113,961,763.2 for allocation to unrestricted equity. The reduction shall be made through cancellation of 20,728,135 series A shares and 74,240,001 series B shares held by the Company.

(B) Bonus issue without the issuance of new shares

The Board proposes that the Annual General Meeting resolves to increase the share capital through a bonus issue of SEK 122,007,125.04, such amount being transferred from unrestricted equity (according to the Company's balance sheet to be adopted by the Annual General Meeting 2020). The bonus issue shall be carried out without issuance of new shares.

Point 20: Proposal from the shareholder Carl Axel Bruno that the Annual General Meeting shall decide upon limitation of the Company's contributions to Chalmers University of Technology Foundation to a maximum of SEK 4 million per year.

Majority requirements

The resolutions pursuant to Point 18 and Point 19 require that at least two thirds of both the votes cast and the shares represented at the Annual General Meeting approve the proposals.



Documents

The complete proposal by the Election Committee and its statement explaining the proposals, the Board's full proposal under Point 18, the Board's full proposal and statements from the Board and the auditor under Point 19 as well as a letter from the shareholder Carl Axel Bruno (in original language) under Point 20, are available at www.volvogroup.com and www.volvokoncernen.se

The Annual Report, the Auditor's Report and the auditor's statement pursuant to Chapter 8, section 54 of the Swedish Companies Act are available at www.volvogroup.com and www.volvokoncernen.se, and at AB Volvo's Headquarters, Gropegårdsgatan 2, Göteborg.

The documents will be sent on request to such shareholders who provide their address from the date they become available. The documents will also be available at the Annual General Meeting.

The number of shares and votes

When this notice to attend the Annual General Meeting was issued, the total number of shares in the Company was 2,128,420,220, distributed among 476,411,301 series A shares (1 vote per series A share), and 1,652,008,919 series B shares (1/10 vote per series B share). The total number of votes was 641,612,192.9. The Company's holding of own shares amounted to 94,968,136, distributed among 20,728,135 series A shares and 74,240,001 series B shares, corresponding to 28,152,135.1 votes. The Company may not vote using its treasury shares.

Information at the Annual General Meeting

Upon request by any shareholder and where the Board believes that such may take place without significant harm to the Company, the Board and the President and CEO should provide information at the Annual General Meeting in respect of any circumstances which may affect the assessment of a matter on the agenda, and any circumstances which may affect the assessment of the Company's or a subsidiary's financial position and as regards the Company's relationship to other Group companies.

Right to participate in the Annual General Meeting

Participation in AB Volvo's Annual General Meeting is limited to those who are recorded as shareholders in the share register maintained by Euroclear Sweden AB on April 2, 2020 and who no later than April 2, 2020 give notice of their intention to participate in the Annual General Meeting to AB Volvo.

Shares registered in the name of a nominee

To be entitled to participate in the Annual General Meeting, shareholders having their shares registered in the name of a nominee must request the nominee to enter the shareholder into the share register. Such registration, which can be temporary, must have been effected by April 2, 2020 and should therefore be requested well in advance of April 2, 2020. Nominees normally charge a fee for this.

Notice

Notice of intention to participate in the Annual General Meeting can be given:

- by telephone, +46 8 402 90 76 (Monday-Friday 8.30 am to 4.00 pm)
- by mail addressed to AB Volvo (publ), "AGM", c/o Euroclear Sweden, P.O. Box 191, SE-101 23 Stockholm, Sweden
- on AB Volvo's website; www.volvogroup.com and www.volvokoncernen.se



In providing such notice, the shareholder should state:

- name
- personal registration number (corporate registration number)
- address and telephone number
- name and personal registration number of the proxy, if any
- the number of any accompanying assistant(s) (maximum two assistants)

Shareholders who wish to participate in the Annual General Meeting must submit notice no later than April 2, 2020. If you wish to be accompanied by an assistant, notification of the number of assistant(s) must be provided as specified above.

Shareholders who are represented by proxy must issue a written, dated proxy for the representative. Such proxy forms are available at www.volvogroup.com or www.volvokoncernen.se. The proxy, in its original, should be sent to the Company at the above address well in advance of the Annual General Meeting. The proxy may not be older than one year unless it states that it is valid for a longer period of time, although the validity of the proxy may not exceed five years. If the proxy is issued by a legal entity, a certified copy of the certificate of registration or an equivalent certificate of authority must be submitted to the Company. Note that shareholders who are represented by proxy must notify the Company of their participation according to the above instructions and be registered as shareholders in the share register on April 2, 2020.

Processing of personal data

For information on how your personal data is processed, see the privacy notice available on Euroclear's webpage www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf. AB Volvo (publ) has corporate registration number 556012-5790 and registered office in Göteborg, Sweden.

Miscellaneous

The main entrance of Konserthuset opens at 1.30 p.m. A light meal will be served in the foyer before the Annual General Meeting.

Göteborg in March 2020

AB Volvo (publ)

The Board of Directors