

NOTICE TO ANNUAL GENERAL MEETING OF AB VOLVO (publ)

AB Volvo (publ) (“Volvo”) gives notice to attend the Annual General Meeting at Konserthuset, Götaplatsen, Göteborg, Tuesday, April 4, 2023, at 3.00 p.m.

Volvo warmly welcomes its shareholders to the Annual General Meeting. The main entrance of Konserthuset opens for registration at 2.00 p.m. and the Annual General Meeting begins at 3.00 p.m. Coffee and cakes will be served in connection with the Annual General Meeting.

A shareholder may participate in the Annual General Meeting at the venue (in person or represented by a proxy) or through advance voting (postal voting). The Meeting will be conducted in Swedish and simultaneously translated into English.

Right to participate in the Annual General Meeting and notice of participation

Participation in the Annual General Meeting at the venue

A shareholder who wishes to participate in the Annual General Meeting at the venue (in person or represented by a proxy) must (i) be recorded in the share register prepared by Euroclear Sweden AB relating to the circumstances on March 27, 2023, and (ii) no later than March 29, 2023 give notice of its intention to participate through mail, telephone or on AB Volvo’s website.

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

- by telephone to +46 20 39 14 50 or +46 8 402 90 76 (Monday-Friday 9.00 a.m. to 4.00 p.m.),
- by mail addressed to AB Volvo (publ), “AGM”, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, and
- on AB Volvo’s website; www.volvogroup.com.

When providing such notice, the shareholder should state name, personal or corporate registration number, address, telephone number and the number of any accompanying assistant(s) (maximum two assistants). Shareholders who are represented by proxy must issue a written, dated proxy for the representative. Proxy forms are available at www.volvogroup.com. The proxy should be sent to the company as set out above well in advance of the Annual General Meeting. If the proxy is issued by a legal entity, a certificate of registration or an equivalent certificate of authority should be enclosed.

Participation by voting in advance

A shareholder who wishes to participate in the Annual General Meeting by voting in advance (postal voting) must (i) be recorded in the share register prepared by Euroclear Sweden AB relating to the circumstances on March 27, 2023, and (ii) notify its intention to participate in the Meeting no later than March 29, 2023, by casting its advance vote in accordance with the instructions below so that the advance voting form is received by Euroclear Sweden AB no later than on that day.

A special form shall be used when voting in advance. The form is available on www.volvogroup.com or can be sent by post on request by telephone to +46 20 39 14 50 or +46 8 402 90 76 (Monday-Friday 9.00 a.m. to 4.00 p.m.). A completed and signed form may be submitted via e-mail to GeneralMeetingService@euroclear.com or by post to AB Volvo (publ), “AGM”, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. Shareholders may also cast their votes electronically through BankID verification via www.volvogroup.com. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and conditions are included in the form for advance voting.

If a shareholder votes in advance by proxy, a written and dated power of attorney shall be enclosed to the voting form. Proxy forms are available at www.volvogroup.com. If the shareholder is a legal entity, a certificate of incorporation or an equivalent certificate of authority should be enclosed.

If a shareholder has voted in advance and attends the Annual General Meeting in person or through a representative, the advance vote is still valid except to the extent the shareholder participates in a voting procedure at the Meeting or otherwise withdraws its advance vote. If the shareholder chooses to participate in a voting at the Meeting, the vote cast will replace the advance vote with regard to the relevant item on the agenda.

Shares registered in the name of a nominee

To be entitled to participate in the Meeting, in addition to providing notification of participation, a shareholder whose shares are held in the name of a nominee must register its shares in its own name so that the shareholder is recorded in the share register as at March 27, 2023. Such registration may be temporary (so-called voting right registration) and is requested from the nominee in accordance with the nominee's procedures and such time in advance as the nominee determines. Voting right registrations completed not later than March 29, 2023 are taken into account when preparing the register of shareholders.

Proposed agenda

Matters:

1. Opening of the Meeting
2. Election of Chairman of the Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of persons to approve the minutes
6. Determination of whether the Meeting has been duly convened
7. Presentations by the Chairman of the Board and the President and CEO
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
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 (re-election)
 - 14.2 Bo Annvik (new election)
 - 14.3 Jan Carlson (re-election)
 - 14.4 Eric Elzvik (re-election)
 - 14.5 Martha Finn Brooks (re-election)
 - 14.6 Kurt Jofs (re-election)
 - 14.7 Martin Lundstedt (re-election)
 - 14.8 Kathryn V. Marinello (re-election)
 - 14.9 Martina Merz (re-election)
 - 14.10 Helena Stjernholm (re-election)
 - 14.11 Carl-Henric Svanberg (re-election)
15. Election of the Chairman of the Board
The Election Committee proposes re-election of Carl-Henric Svanberg as Chairman of the Board
16. Determination of the remuneration to the Auditors

17. Election of Auditors and Deputy Auditors
18. Election of members of the Election Committee
19. Presentation of the Board's remuneration report for approval
20. Resolution regarding guidelines for remuneration to the Volvo Group Executive Board, and new long-term incentive plan
 - 20.1 The Board's proposal for guidelines for remuneration to the Volvo Group Executive Board
 - 20.2 The Board's proposal for a new long-term incentive plan

Motions

Point 2: The Election Committee proposes attorney Erik Sjöman to be the Chairman of the Meeting.

Point 10: The Board proposes payment of an ordinary dividend of SEK 7.00 per share and an extra dividend of SEK 7.00 per share. Thursday, April 6, 2023, is proposed by the Board as the record date to receive the dividend. If the Meeting resolves in accordance with the proposal, payment of the dividend is expected to be performed through Euroclear Sweden AB on Thursday, April 13, 2023.

Point 12: The Election Committee proposes eleven members and no deputy members to be elected by the Meeting.

Point 13: The Election Committee proposes that the Chairman of the Board will be awarded SEK 3,925,000 (3,850,000) and each of the other members elected by the Annual General Meeting SEK 1,175,000 (1,150,000) with the exception of the President and CEO. Furthermore, the Election Committee proposes that the Chairman of the Audit Committee will be awarded SEK 445,000 (405,000), the other members of the Audit Committee SEK 250,000 (190,000) each, the Chairman of the Remuneration Committee SEK 175,000 (170,000), the other members of the Remuneration Committee SEK 130,000 (125,000) each, the Chairman of the Volvo CE Transformation Committee SEK 300,000 (200,000) and the other members of the Volvo CE Transformation Committee SEK 200,000 (170,000) 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 www.volvogroup.com.

Point 16: The Election Committee proposes that the fees to the Auditors shall be paid in accordance with approved invoices.

Point 17: The Election Committee proposes, in accordance with the Board's and the Audit Committee's recommendation, that the registered firm of auditors Deloitte AB is elected as Auditor for the period until the close of the Annual General Meeting 2024.

Point 18: The Election Committee proposes that Pär Boman (AB Industrivärden), Anders Oscarsson (AMF and AMF Funds), Magnus Billing (Alecta), Anders Algotsson (AFA Insurance) 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 20.1: The Board proposes that the Annual General Meeting adopts the following guidelines for remuneration to the Volvo Group Executive Board.

Guidelines for remuneration to the Volvo Group Executive Board

These guidelines 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 2023 annual general meeting. These guidelines do not apply to any remuneration separately decided or approved by the general meeting.

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 senior management. 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 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 and CEO, amount to a maximum of 100 % of the base salary and, for other Executives, a maximum of 80 % of the base salary.

Long-term incentives may, for the President and CEO, amount to a maximum of 150 % of the base salary and, for other Executives, a maximum of 80 % of the base salary. Current and proposed long-term incentives are described and addressed separately by the 2023 general meeting.

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 % 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 and CEO, pension benefits shall be granted on the basis of a defined contribution plan. The pensionable salary shall include base salary only. The pension contributions for the President and CEO attributable to the annual base salary shall amount to not more than 35 % of the base salary.

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

For other Executives, pension benefits shall be granted on the basis of a defined contribution plan except where law or collective agreement requires a defined benefit pension. The pensionable salary shall include base salary and, where required by law or collective agreement, incentives. The total pension contributions for other Executives shall amount to not more than 35 % of base salary, unless a higher percentage results from the application of law or collective agreement.

Other benefits may include, for example, life insurance, medical and health insurance, and company car. Premiums and other costs relating to such benefits may amount to not more than 10 % 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 remuneration, etc.

Plans for long-term and short-term incentives shall be linked to predetermined and measurable criteria, to be determined by the Board of Directors. 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 satisfaction of the criteria shall be measured over periods of one or multiple years, depending on the type of incentive plan.

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

Claw-back and adjustments

Executives participating in the Volvo Group's 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, 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 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 and 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 changes to the guidelines, etc.

During 2022, the company has carefully considered feedback received from shareholders and proxy advisors in connection with the general meeting 2022 and otherwise during the year. As a result of this dialogue, the Board and the Remuneration Committee have during 2022 performed a review of the design of the Group's long-term incentives. As a result of this review, the Board proposes the adoption of a new long-term incentive plan with a three-year performance period, to be implemented starting 2023. It is proposed that the transition into a new long-term incentive plan with a three-year performance period will be made in parallel with a two-year phasing out of the current long-term incentive plan. For further information, please refer to the Board's proposal for a new long-term incentive plan.

For further information about the dialogue with shareholders and proxy advisors, please refer to the Remuneration Report 2022. Additional information regarding executive remuneration in the Volvo Group is available in the Volvo Group Annual Report.

Point 20.2: The Board proposes that the Annual General Meeting adopts a new long-term incentive plan in accordance with the following.

General

The objective of AB Volvo's long-term incentive plans is to drive long-term value creation and align the interests of the senior management, including the Executives, and employees in other business critical positions with those of shareholders. Both the current and the proposed new plan operate on a four-year cycle. However, while the current plan measures performance on an annual basis with a three-year lock-in of shares, it is proposed that the new plan shall have a three-year performance period with a one-year lock-in period for the AB Volvo shares that the participants are required to acquire. It is further considered that the extension of the performance period will further promote the objective, as specified above.

Both plans – the current and proposed new plan – are cash-based, where the participants are required to immediately invest the after-tax portion of the payment in AB Volvo shares which must be held for a minimum lock-in period, as defined by each plan. This way, the participants build up a shareholding and have a vested interest in the longer-term development of the value of the AB Volvo shares. At the end of the defined lock-in period, participants may sell their shares. However, Executives may only do so if they meet the requirement for owning AB Volvo shares at a value of at least two years of pre-tax base salary for the President and CEO and one year of the pre-tax base salary for the other Executives. The holding requirements for participants shall cease upon termination of a participant's employment, and the Board may grant such other exceptions to the requirements as the Board deems appropriate.

Current plan

The *current* long-term incentive plan, which was introduced in connection with the 2016 general meeting, is funded on an annual basis by an award, measured against annual performance criteria established by the Board. 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. There is no payout under the long-term incentive plan if the annual general meeting that is held in the year following the performance year, decides not to distribute any dividends to the shareholders.

New plan

The Board proposes to introduce a *new* long-term incentive plan starting 2023. The new plan has a three-year performance measurement period followed by a one-year lock-in period for the AB Volvo shares that the participants are required to acquire. As a consequence of the introduction of the new long-term incentive plan commencing in 2023 it is proposed to phase out the current plan in two years. Hence, it is proposed to continue with the current plan for two more years (to be implemented after the general meetings 2023 and 2024 respectively), but only for participants who were already enrolled in the current plan by year end 2022. For clarity, Executives enrolled in both the current plan (during the phasing out thereof) and the proposed plan will not receive payouts exceeding the annual maximum percentages for long term-incentives set out in the company's guidelines for remuneration. Measures have been taken to ensure that these Executives will not be overcompensated under the proposed plan, taking into account awards received under the current plan.

The new long-term incentive plan is for senior management, including the Executives, and employees in certain business-critical positions within the Volvo Group. The new plan has been prepared by the Remuneration Committee, followed by final approval by the Board. The implementation of the new plan is subject to adoption, by simple majority, of this proposal at the 2023 general meeting. Once the plan is approved by the 2023 general meeting, the plan is to be implemented, as overseen by the Board and the Remuneration Committee, on a consecutive annual basis going forward, each year's implementation with a three-year performance measurement period.

Each annual implementation of the plan operates on a four-year cycle: a three-year performance measurement period followed by a one-year lock-in period of the AB Volvo shares acquired. Accordingly, the after-tax portion of any payout from the plan (payable in cash after the end of each three-year performance period) must be immediately invested in AB Volvo shares, which must be held for a minimum period of one year. To facilitate recruitment of external candidates, such a candidate may, if the Board deems this to be appropriate, be offered participation in an already implemented/pending plan cycle as if the candidate had been enrolled already at the start of the relevant performance period.

The plan shall be linked to the two following predetermined and measurable performance measures: (i) AB Volvo's three-year average return on capital employed with a linear scale (0% at minimum, 100% at maximum of the scale; relative weighting 70 %) and (ii) the relative three-year average Volvo B total shareholder return vs. MSCI World Machinery Index with a linear scale (20% at minimum, 100% at maximum of the scale; relative weighting 30%). The satisfaction of these measures shall be measured over a period of three years each. To which extent the measures for awarding remuneration have been satisfied shall be determined when the relevant three-year measurement period has ended.

The Board shall be responsible for preparing the detailed design and administration of the terms and conditions of the new long-term incentive plan, including appropriate provisions on corporate actions, participants leaving the Volvo Group, etc. The Board may make appropriate adjustments to address mandatory rules as well as foreign requirements, local practice or market conditions. The Board may make other appropriate adjustments, including to performance measures and bases for calculation, to the extent prompted by significant changes in the Volvo Group or its business environment resulting in the terms of the plan no longer reasonably fulfilling their objectives.

Maximum cost for the new plan, including social security charges, is estimated to range between a payout of nil if the performance thresholds are not met and an amount of SEK 844 million if the fulfilment of the performance conditions is 100%.* Between the performance threshold and the maximum performance level, the payout will be determined in accordance with the linear scales as described above. The cost for each following cycle (which is to be implemented annually) is expected to be the same as for the first cycle based on the same assumptions.

The payouts under the plan will be made in cash, the net proceeds of which will be converted into shares in the open market. As such, the plan does not entail any dilution for the Company's shareholders. No hedging arrangements are intended to be made with regard to the plan's financial exposure.

* This cost estimate has been calculated based on a total number of 505 participants out of the maximum number of 600 participants, a best possible estimate of the average base salaries during the performance period, using an estimated annual adjustment rate of 5% across countries, as well as applicable incentive opportunity percentages (CEO 150%; Executive Board/Group Management 80%; Top Executive 60%; others 40%/20%). Base salaries in currencies other than SEK have been converted into SEK based on the average exchange rate for the applicable currencies in 2022. The calculations have further been based on an average rate for social security charges of 27.0%.

Documents and other information

The complete proposal by the Election Committee and its statement explaining the proposals are available at www.volvogroup.com.

The Annual Report, the Auditor's Report, the Consolidated Accounts, the Auditor's Report on the Consolidated Accounts, the remuneration report and the Auditor's statement pursuant to Chapter 8, section 54 of the Swedish Companies Act are available at www.volvogroup.com and at AB Volvo's Headquarters, Gropegårdsgatan 2, SE-417 15 Göteborg. The documents will, free of charge, be sent on request to such shareholders who provide their address.

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.

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 2,033,452,084, distributed among 444,987,875 series A shares (1 vote per series A share), and 1,588,464,209 series B shares (1/10 vote per series B share). The total number of votes was 603,834,295.9.

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.

Göteborg, March 2023

AB Volvo (publ)

The Board of Directors