

NOTICE TO ANNUAL GENERAL MEETING OF AB VOLVO (publ)

AB Volvo (publ) hereby gives notice to the Annual General Meeting Wednesday, March 31, 2021.

Due to the extraordinary situation as a result of the COVID-19 pandemic and to reduce the risk of spreading the virus and having regard to the authorities' regulations and advice on avoiding public gatherings, AB Volvo's Annual General Meeting is carried out only through advance voting (postal voting) pursuant to temporary legislation. No meeting with the possibility to attend in person or to be represented by a proxy will take place. Hence, the Meeting will be held without physical presence, in accordance with the procedures last year, and with no customary arrangements in connection with the Meeting.

Since no Annual General Meeting with the opportunity to attend in person or by proxy will be held, there will be no opportunity to ask questions at the Meeting. However, AB Volvo knows that many shareholders wish to ask questions about the Group, and encourages questions in advance of the Meeting by post to AB Volvo (publ), AA12600, Attn. Head of Investor Relations, SE-405 08 Göteborg, Sweden, or via e-mail to agm@volvo.com, no later than March 21, 2021. The Chairman and the President and CEO will address questions from shareholders in presentations that will be made available on AB Volvo's website, www.volvogroup.com, from March 25, 2021 at around 15.00 CET. If a shareholder wishes to have its question answered in writing, and the question and answer published on Volvo's website, such question should be sent as described below under the heading *Documents and other information*.

AB Volvo welcomes all shareholders to exercise their voting rights at the Annual General Meeting through advance voting as described below. Information on the resolutions passed at the Meeting will be published on March 31, 2021 as soon as the result of the advance voting has been finally confirmed.

Preconditions for participation

A shareholder who wishes to participate in the Meeting must (i) be recorded in the share register prepared by Euroclear Sweden AB relating to the circumstances on March 23, 2021, and (ii) notify its intention to participate in the Meeting no later than March 30, 2021, by casting its advance vote in accordance with the instructions under the heading *Advance voting* below so that the advance voting form is received by Euroclear Sweden AB no later than that day.

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 23, 2021. 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 25, 2021 are taken into account when preparing the register of shareholders.

Advance voting

The shareholders may exercise their voting rights at the Annual General Meeting only by voting in advance, so-called postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on AB Volvo's website, www.volvogroup.com. The advance voting form is considered as the notification of participation.

The completed voting form must be received by Euroclear Sweden AB no later than Tuesday, March 30, 2021. The form may be submitted via e-mail to GeneralMeetingService@euroclear.com or by post to AB Volvo (publ), "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. Shareholders who are natural persons may also cast their advance votes electronically through BankID verification via AB Volvo's website, www.volvogroup.com. If the shareholder votes in advance by proxy, a

power of attorney shall be enclosed to the form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form. 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.

For questions about the Meeting or to have the advance voting form sent by post, please contact Euroclear Sweden AB on telephone +46 8-402 90 76 (Monday-Friday, 08.30-16.00 CET).

Agenda

Matters:

1. Election of Chairman of the Meeting
2. Election of persons to approve the minutes
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Determination of whether the Meeting has been duly convened
6. 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
7. Adoption of the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet
8. Resolution in respect of the disposition to be made of the company's profits
9. Resolution regarding discharge from liability of the Board members and of the President and CEO
10. Determination of the number of Board members and deputy Board members to be elected by the Meeting
11. Determination of the remuneration to the Board members
12. Election of Board members

The Election Committee proposes election of the following Board members:

- 12.1 Matti Alahuhta (re-election)
 - 12.2 Eckhard Cordes (re-election)
 - 12.3 Eric Elzvik (re-election)
 - 12.4 Martha Finn Brooks (new election)
 - 12.5 Kurt Jofs (re-election)
 - 12.6 Martin Lundstedt (re-election)
 - 12.7 Kathryn V. Marinello (re-election)
 - 12.8 Martina Merz (re-election)
 - 12.9 Hanne de Mora (re-election)
 - 12.10 Helena Stjernholm (re-election)
 - 12.11 Carl-Henric Svanberg (re-election)
13. Election of the Chairman of the Board
The Election Committee proposes re-election of Carl-Henric Svanberg as Chairman of the Board
 14. Election of members of the Election Committee
 15. Presentation of the Board's remuneration report for approval
 16. Resolution regarding Remuneration Policy for senior executives
 17. Resolution regarding amendments to the Articles of Association
 18. Proposal from the shareholder Carl Axel Bruno regarding limitation of the company's contributions to Chalmers University of Technology Foundation

Motions

Point 1: The Election Committee proposes attorney Sven Unger, or, in case of his impediment, the person instead appointed by the Election Committee.

Point 2: Erik Sjöman, attorney, and Martin Jonasson, general counsel Andra AP-fonden, AP2 (or if one or both of them are prevented, the person or persons instead appointed by the Election Committee) are proposed to be elected to approve the minutes of the Meeting together with the Chairman. The task of approving the minutes of the Meeting also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the Meeting.

Point 3: The voting list proposed for approval under point 3 on the agenda, is the voting list drawn up by Euroclear Sweden AB on behalf of AB Volvo, based on the Meeting's share register and advance votes received, as verified and recommended by the persons approving the minutes of the Meeting.

Point 8: The Board proposes payment of an ordinary dividend of SEK 6.00 per share and an extra dividend of SEK 9.00 per share. Tuesday, April 6, 2021, 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 Friday, April 9, 2021.

Point 10: The Election Committee proposes eleven members and no deputy members.

Point 11: The Election Committee proposes that 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.

Point 12-13: 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.

Point 14: 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 16: 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 2021 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 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 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 and 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 and 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 senior management, including the Executives, was introduced in connection with the 2016 annual general meeting. The objective of the program is to drive long-term value creation and align the interests of the senior management with those of shareholders. To achieve this, the program operates on a four-year cycle; with a performance based annual award, which is invested in Volvo shares with a mandatory lock-in period of three years. There will be no payout under the long-term incentive program if the Annual General Meeting that is held in the year following the performance year, decides not to distribute any dividends to the shareholders. 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 Executives will build up a shareholding in the company and have a vested interest over the longer term development in the value of the shares. At the end of the three year period, the 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 and 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 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 per cent of the base salary.

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 and CEO.

For other Executives, pension benefits shall be granted on the basis of a defined contribution plan except where law or collective agreement require a defined benefit pension. The pensionable salary shall include base salary and where required by law or collective agreement, short-term incentives. The total pension contributions for other Executives shall amount to not more than 35 per cent 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 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 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 material changes to the guidelines and how the views of shareholders' have been taken into consideration

During 2020, the Remuneration Committee and the Board of Directors have consulted with shareholders individually and collectively and have followed up on comments and questions received from shareholders in connection with the annual general meeting in June 2020 and otherwise during the year. For further information, please refer to the section Consideration of shareholder views in the Remuneration Report 2020. The Remuneration Committee and the Board have for 2021 and onwards decided to propose a change to the company's pension commitments to its President and CEO, Deputy CEO and other Executives employed in Sweden, aiming to simplify the pension commitments and bring them more in line with the prevailing pension schemes for similar individuals in the Swedish market, without materially altering the remuneration from an economical perspective. Due to the forward-looking nature of the remuneration policy, the amendments apply to new employment contracts entered into after approval of the amended policy by the annual general meeting 2021 and for existing employment contracts if changes are agreed to by the Executives in scope.

Additional information regarding executive remuneration in the Volvo Group is available in the Volvo Group Annual and Sustainability Report.

Point 17: The Board proposes that the Annual General Meeting resolves to amend section 6 paragraph 1 of the Articles of Association. The proposed amendments are set out below.

§ 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 appointment as auditor shall apply until the close of the annual general meeting held during the first, second, third or fourth financial year after the appointment of the auditor. The general meeting may decide which of the alternative terms that shall apply. If the general meeting does not so decide, the shortest of the terms shall apply.

Point 18: 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 resolution pursuant to Point 17 requires that at least two thirds of both the votes cast and the shares represented at the Annual General Meeting approve the proposal.

Documents and other information

The complete proposal by the Election Committee and its statement explaining the proposals as well as a letter from shareholder Carl Axel Bruno (in original language) under Point 18, 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 will be available at www.volvogroup.com and at AB Volvo's Headquarters, Gropegårdsgatan 2, SE-417 15 Göteborg from March 10, 2021 at the latest. These documents, together with information regarding the proposed Board members that are included in the Election Committee's complete proposal, are presented by being available at the company's website in accordance with the above. The share register of the Meeting is available at AB Volvo's Headquarters, Gropegårdsgatan 2, SE-417 15 Göteborg, Sweden.

Proxy forms for shareholders who would like to vote in advance through proxy are available at www.volvogroup.com.

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

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 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. A request for such information shall be made in writing to AB Volvo (publ), AA14200, Attn. Head of Corporate Legal, SE-405 08 Göteborg, Sweden, or via e-mail to corporatelegal@volvo.com, no later than on March 21, 2021. The information will be made available at AB Volvo, Gropegårdsgatan 2, SE-417 15 Göteborg, Sweden and on www.volvogroup.com, on March 26, 2021 at the latest. The information will also be sent, within the same period of time, to the shareholder who has requested it and stated its address.

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 444,987,946 series A shares (1 vote per series A share), and 1,588,464,138 series B shares (1/10 vote per series B share). The total number of votes was 603,834,359.8.

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, February 2021

AB Volvo (publ)

The Board of Directors