

# **Volvo Car Group Remuneration Report 2025**



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## 1. Introduction

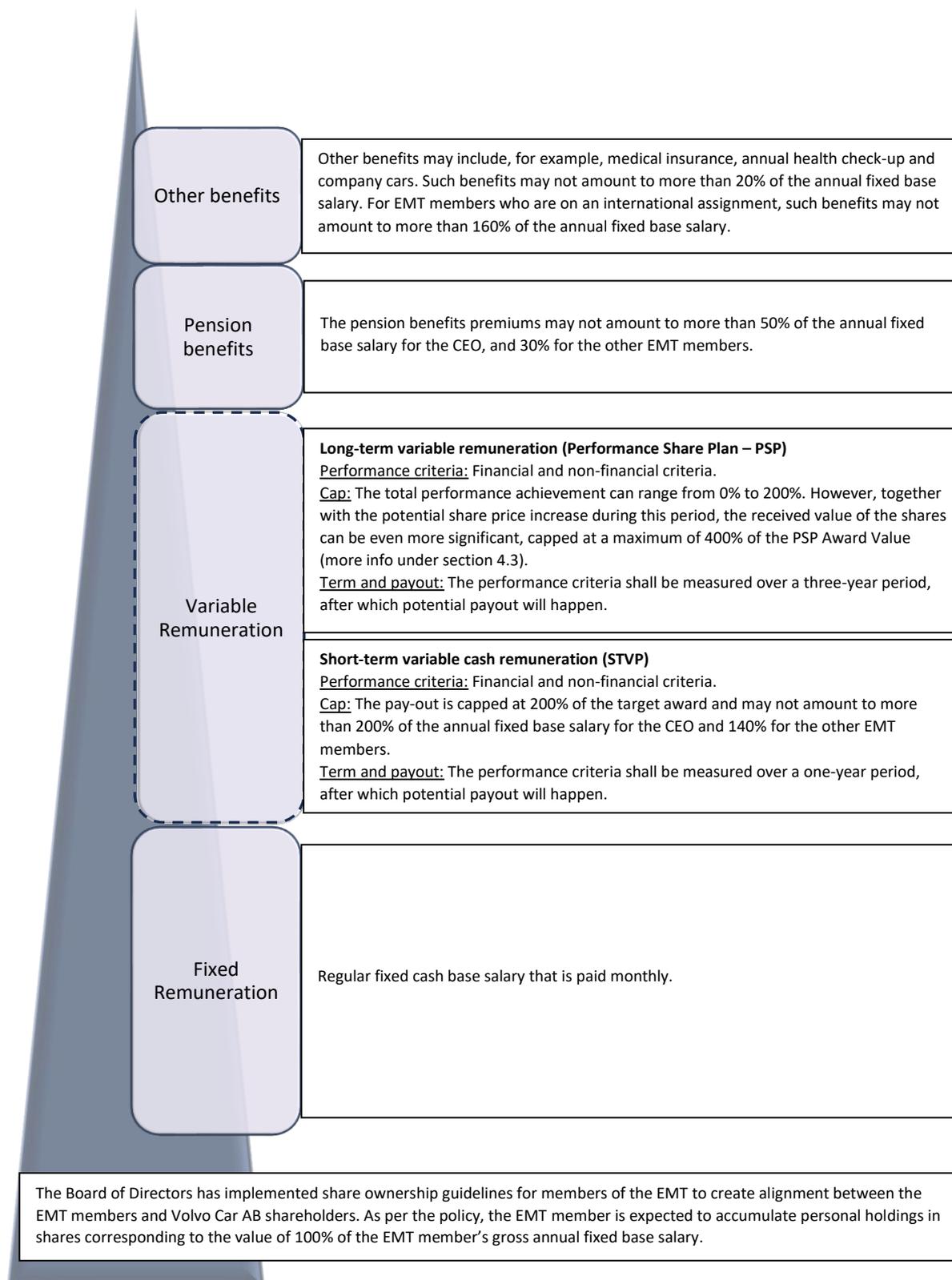
This remuneration report provides an outline of how Volvo Car Group's (including Volvo Car AB (publ)) remuneration guidelines for the Executive Management Team ("EMT") were adhered to in 2025 ("Remuneration Guidelines"). The latest version of the Remuneration Guidelines was adopted by the annual general meeting on 3<sup>rd</sup> April 2025.

This report also provides details on the remuneration of Volvo Car Group's CEO, former CEO, and a summary of Volvo Car Group's long-term and short-term variable pay programmes. The report has been prepared in compliance with the Swedish Companies Act (2005:551) and the remuneration rules administered by the Swedish Stock Market Self-Regulation Committee. Further information on the executive remuneration is also available in note 8 on pages 77-80 and note 9 on pages 80-83 in the Volvo Car Group's annual report for 2025 (the "**2025 Annual Report**").

Information on the work of the People Committee in 2025 is set out in the corporate governance report, which is available on pages 42-60 in the 2025 Annual Report. Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the annual general meeting and disclosed in note 8 on pages 77-80 in the 2025 Annual Report.

The CEO, Håkan Samuelsson, summarizes Volvo Car Group's overall performance in 2025 in his statement on page 13-14 in the 2025 Annual Report.

## 2. Executive Management Team (EMT) remuneration system overview



More info can be found in the Remuneration Guidelines.

### 3. Overview of the application of the Remuneration Guidelines in 2025

The objective of the Remuneration Guidelines is to ensure that the Volvo Car Group can attract and retain the best people in order to contribute to Volvo Car Group’s mission & business strategy, its long-term interests and its sustainability goals. Remuneration for the EMT shall be based on competitive market conditions and at the same time support the shareholders’ best interests.

The total remuneration package of the EMT may consist of fixed cash remuneration, variable remuneration, pension benefits, and other benefits. The components of remuneration shall be in accordance with market practice. Additionally, the general meeting may – irrespective of the Remuneration Guidelines – resolve on, among other things, share related or share price related remuneration.

The Remuneration Guidelines can be found on [Remuneration | Volvo Cars](#). During 2025 Volvo Car Group complied with the applicable Remuneration Guidelines and no deviations from the guidelines nor any exemptions from the procedure for implementation of the Remuneration Guidelines have been made.

It shall be noted that the CEO and the former CEO received all remuneration from Volvo Car Corporation and as such, no remuneration is paid from the listed company Volvo Car AB (publ).

The auditor’s report regarding the company’s compliance with its guidelines is available [on [Annual General Meeting 2026 | Volvo Cars](#)].

#### 3.1 Total remuneration earned in 2025 by the CEO, and the former CEO

The table below sets out total remuneration earned by Volvo Car Group’s CEO and former CEO during 2025.

**Table 1 – Total remuneration in 2025 (TSEK)**

Total Remuneration	Fixed Remuneration		Variable Remuneration		Extra Ordinary Items <sup>4</sup>	Pension Expense <sup>5</sup>	Total Remuneration	Proportion in % of fixed and variable remuneration
	Base Salary	Other Benefits <sup>1</sup>	One-Year Variable <sup>2</sup>	Multi - Year Variable <sup>3</sup>				
Håkan Samuelsson, CEO <sup>6</sup>	15,000	620	0	0	10,900	7,500	34,020	68/32
Jim Rowan, CEO (Former) <sup>7</sup>	4,106	113	0	1,117	860	1,221	7,417	73/27

- Includes benefits such as insurance and company car, and housing arrangement.
- The Board of Directors has decided no payout for the short-term variable pay programme (STVP) 2025.
- Multi-year variable pay is the result of the long-term share-based variable pay programme (PSP 2023/2025) and will be disbursed in the second quarter of 2026. The value of the PSP 2023/2025 is a preliminary award value calculated using the closing share price (30,70 SEK) on the last day of trading in 2025 (December 30<sup>th</sup>).
- A sign-on bonus for the CEO according to the agreement reached when joining Volvo Car Group. A recognition award for the former CEO as an extraordinary payment to recognize the valuable contribution during 2024. The individual sign-on bonus and recognition award constitutes extraordinary arrangements pursuant to section 2.1.1 of the Remuneration Guidelines, decided by the People Committee, and the former vice chairman of the board.
- Pension expense is linked to the base salary with defined contribution.
- Håkan Samuelsson was appointed in his current position as the CEO of Volvo Cars from 1<sup>st</sup> of April 2025; hence his remuneration was prorated accordingly.
- Jim Rowan left his position as a CEO from 1<sup>st</sup> of April 2025; hence his remuneration was prorated accordingly.

#### 3.2 Comparative information on the change of remuneration and group performance

The group entity Volvo Car Corporation has been selected as the relevant average remuneration report entity, since it is the largest Swedish entity in the Volvo Car Group, and which also employs the CEO and had employed the former CEO.

Also, note that the table below reflects remuneration from the time the CEO and respective former CEO were appointed, thus it is not fully comparable year-over-year. Please refer to footnotes for further details.

**Table 2 – Change of Remuneration and Company Performance (TSEK)**

	2025	2024	2023	2022	2021
<b>CEOs Remuneration (TSEK)</b>					
Håkan Samuelsson, CEO <sup>1</sup>	34,020	-	-	45,718 (-25,1%)	61,076
Jim Rowan, CEO (Former) <sup>2</sup>	7,417 (-85,7%)	51,790(-1,2%)	52,438 (34,1%)	39,115	-
<b>Company's Performance (TSEK)</b>					
EBIT <sup>3</sup>	-351 000 (-101%)	27,040,000 (5,8%)	25,567,000	22,332,000(10,2%)	20,275,000
<b>Average remuneration on a full-time equivalent basis of employees<sup>4</sup> (TSEK)</b>					
Employees of Volvo Car Corporation <sup>5</sup>	703 (-5,4%) <sup>8</sup>	743 (7%) <sup>7</sup>	695 (-1,1%) <sup>6</sup>	703(13,6%)	619

1. Reflects YoY change in remuneration for Håkan Samuelsson (CEO), who was employed until first quarter of 2022 and reappointed on 1<sup>st</sup> April 2025. Hence, the comparative information for 2023 and 2024 is not available. Nine months of remuneration reported for 2025 from the date of appointment.
2. Jim Rowan (former CEO) was appointed as CEO from March 2022, hence comparative information for 2021 is not available. Nine months of remuneration reported for 2022 from the date of appointment. He left his position as CEO on 1<sup>st</sup> April 2025, and his remuneration was prorated accordingly.
3. For 2023, 2024, and 2025 EBIT is calculated excluding share of income from JVs & Associates. For 2022 and 2021 calculation is made on Group EBIT. Hence, the comparative information for 2022 and 2023 is not available since it is irrelevant.
4. Excluding CEO and EMT members.
5. Average remuneration for the Volvo Car Corporation's other employees includes payments of remuneration and benefits made in 2025. For the variable remuneration, the amount included is preliminary and will be finally determined and disbursed after the outcome is established in the first quarter of 2026.
6. 2022 was an exceptional year due to defined benefit and defined contribution obligations. During 2023 the cost stabilized.
7. In 2024, the salary increase was 7,6% in Sweden covering two-year as per the local collective bargaining agreement.
8. In 2025, the Board of Directors has decided no payout for the short-term bonus plans.

## 4. Variable Remuneration

### 4.1 Application of performance criteria

The performance criteria for the variable remuneration have been selected to deliver Volvo Car Group's strategy and to encourage behavior which is in the long-term interest of Volvo Car Group. In the selection of performance criteria, the strategic objectives and short- and long-term business priorities for 2025 have been considered. The non-financial performance criteria further contribute to alignment with the sustainability agenda as well as Volvo Car Group's purpose and values.

### 4.2 Short-Term Variable Pay Programme ("STVP")

#### *STVP 2025 Performance Conditions*

The STVP is a one-year cash-based incentive programme comprising the CEO, EMT, Executive Management Team Extended ("EMTe") and certain other senior leaders, in total approximately 320 employees. The purpose of the STVP is to support Volvo Car Group's corporate strategy and transformation. Pay-out under the STVP requires that Volvo Car Group satisfies certain performance conditions as established by the Board of Directors. The amount subject to payment for each level of performance is a percentage of the employee's gross annual base salary, with a cap on the maximum amount payable when reaching or exceeding the maximum levels of all performance conditions. The pay-out is capped at 200% of the so-called target award. The target award is a percentage of the employee's gross annual base salary on 31 December at the end of each performance year. Unless otherwise agreed, to be eligible for pay-out, the employee must remain within Volvo Car Group on the pay-out date. The variable cash remuneration agreement includes a general clause stipulating that the Board and the People Committee are entitled to wholly or partially reduce variable cash remuneration.

#### *STVP 2025 Performance Outcomes*

In 2025, STVP payout was conditional upon achieving certain performance conditions: (i) Free Cash flow, (ii) EBIT excl. share of income from JVs & Associates, and (iii) Sales – Absolute Revenues excl. contract manufacturing. Due to the extraordinary circumstances affecting the 2025 business year, the Volvo Cars Board of Directors has decided no payout for STVP 2025.

**Table 3 - Performance Outcome- Short Term Variable Pay (STVP 2025)**

Name and Position	Performance Condition	Max as a % of Base Salary	Weight	Result Actual award/remuneration outcome (TSEK)
Håkan Samuelsson, CEO	Free Cash flow	150%	40%	0
	EBIT excl. share of income from JVs & Associates		40%	0
	Sales - Absolute Revenues excl. contract manufacturing		20%	0

### 4.3 Long-Term Variable Pay Programme (“LTI”) - PSP

The Performance Share Plan (PSP) is a long-term variable pay programme spanning over three years, in which the CEO, EMT, EMTe (previously GMT) members and certain other senior leaders, and key individuals are invited to participate. Currently, there are approximately 117 participants in PSP 2023/2025, 181 participants in PSP 2024/2026, and 171 participants in PSP 2025/2027. The participants are granted a certain number of shares in Volvo Car AB, provided that the relevant performance conditions are met. To calculate the maximum number of shares that each participant can receive, a percentage of the participants gross annual base salary is used (the “PSP Award Value”). This value is then converted into number of shares (“Performance Shares”), based on the volume weighted average share price paid for Volvo Car AB’s series B shares on Nasdaq Stockholm during a period of 30 trading days in connection with the commencement of the Vesting Period.

The performance conditions include a minimum level which must be exceeded for any Performance Shares at all to be allocated, as well as a maximum level in excess of which no additional Performance Shares will be allocated. Should the minimum level be exceeded but the maximum level not reached, a proportionate number of Performance Shares will be allocated.

The total performance achievement can range from 0% to 200%. However, together with the potential share price increase during this period, the value of the shares received can be even more significant, capped at a maximum of 400% of PSP Award Value, and the number of Performance Shares allotted may be reduced accordingly. Allocation of Performance Shares is conditional upon the participant retaining employment within the Volvo Car Group over the entire vesting period.



### *PSP 2024/2026 Performance Conditions*

(a) Volvo Car AB's average EBIT excl. share of income from JVs & Associates during the financial years 2024–2026 (being the performance period for the programme), which is weighted 40%, (b) Volvo Car AB's compound annual growth rate (CAGR) for group revenue during the performance period, where the revenue (as reported) for the financial year 2026 is compared to the revenue (as reported) for the financial year 2023 (to reflect revenue growth under the performance period), which is weighted 25%; (c) percentage of reduction of CO<sub>2</sub> emissions per Volvo car manufactured, where the average CO<sub>2</sub> emissions per car manufactured in 2018 is compared to the average CO<sub>2</sub> emissions per car manufactured in 2026, which is weighted 25%, and (d) gender diversity, calculated as the share of females within senior leaders population as of 31 December 2026, which is weighted 10%.

### *PSP 2025/2027 Performance Conditions*

(a) Volvo Car AB's average EBIT excl. share of income from JVs & Associates during the financial years 2025–2027 (being the performance period for the programme), which is weighted 40%, (b) Volvo Cars' accumulated free cashflow during the performance period which is weighted 30%, (c) percentage of reduction of CO<sub>2</sub> emissions per Volvo car manufactured, where the average CO<sub>2</sub> emissions per car manufactured in 2018 is compared to the average CO<sub>2</sub> emissions per car manufactured in 2027, which is weighted 20%, and (d) gender diversity, calculated as the share of females within senior leaders population as of 31 December 2027, which is weighted 10%.

### *PSP 2023/2025 Performance Outcomes*

The payout of the PSP 2023/2025 was conditional upon achieving performance conditions: (a) Volvo Car AB's average operating margin excl. share of income from JVs & Associates (as reported) during the financial years 2023-2025 (being the performance period for the programme), where the target was not achieved; (b) Volvo Car AB's average revenue growth during the performance period, where the revenue (as reported) for the financial year 2022 is compared to the revenue (as reported) for each of the financial years during the performance period, where the target was not achieved; (c) reduction of CO<sub>2</sub> emissions per car sold, where the average CO<sub>2</sub> emissions per car sold in 2018 is compared to the average CO<sub>2</sub> emissions per car sold in 2025, which resulted in 71% achievement; (d) gender diversity, calculated as the portion of non-male participants in the short term variable pay plan (so called senior leaders) as of 31<sup>st</sup> December 2025, where the target was not achieved.

Total outcome of the PSP 2023/2025 is 21%.

### **Table 4 – Long-Term Variable Pay Programme (“LTI”) for CEO, and former CEO**

The table below sets out relevant information of PSP 2022/2024, PSP 2023/2025, PSP 2024/2026, and PSP 2025/2027, with regards to the CEO, and the former CEO.

Name and Position	Name of Plan	Performance Period	Award Date	Vesting Date	Awarded	During the year	Closing Balance
						(Number Of Shares) Vested	(Number Of Shares) Unvested at year end <sup>3</sup>
Håkan Samuelsson, CEO <sup>1</sup>	PSP 2025/2027	2025-2027	2025-06-30	2028-06-30	838 601	0	838 601
Jim Rowan, CEO(Former) <sup>2</sup>	PSP 2022/2024	2022–2024	2022-06-15	2025-06-15	0	73 480	0
	PSP 2023/2025	2023-2025	2023-05-02	2026-05-02	0	0	173 150
	PSP 2024/2026	2024-2026	2024-05-02	2027-05-02	0	0	106 280

1. For the CEO, figures with respect to awarded performance shares and unvested performance shares at year end have been calculated based on a PSP Award Value as defined in the terms and conditions of PSP 2025/2027 corresponding to 75% of the CEO's gross annual base salary.
2. Jim Rowan left his position as the CEO from 1<sup>st</sup> April 2025; hence his PSP programmes were prorated accordingly.
3. To be subjected to fulfillment of the performance conditions at the vesting date.

The PSP Award Value for the CEO corresponds to 75% of the CEO's gross annual base salary for all outstanding Performance Share Plans, and for the former CEO 75%.