

**Account of the work of the Audit Committee in 2005**

During 2002 Scania's Board of Directors established an Audit Committee, among other things to gain more focus on accounting issues and certain financial issues.

The Audit Committee consists of three members chosen from Scania's Board. The Committee consists of Vito Baumgartner, Lothar Sander and the undersigned, Staffan Bohman, who replaced Marcus Wallenberg as Chairman after the 2005 AGM.

The Audit Committee shall be independent of Scania's management. For this reason, neither Scania's President and CEO nor the Chief Financial Officer (CFO) has been a member of the Committee. At our request, however, Scania's CFO, Jan Gurander, attended our meetings. Peder Hammarskiöld, Attorney at Law, served as Secretary of the Committee.

At our request the chief auditor of Scania, Caj Nackstad, also attended the Committee's meetings. In addition to the close contact that the auditors have with us in the Audit Committee, every year the auditors report the results of their work with auditing the annual financial statements to the entire Board.

During 2005, the Committee held three meetings. At the meetings of the Board, I reported the issues we had dealt with in the Committee. According to our Rules of Procedure, the areas that the Committee shall work with are internal and external financial reporting, internal controls, accounting principles and external auditing.

As Chairman of the Committee, during 2005 I had continuous contacts with the company's CFO, Jan Gurander, and the company's auditors. In addition, I visited a number of Scania companies, also outside Sweden.

Specific issues that we discussed in the Audit Committee during 2005 included:

- Scania's internal controls and certain risk issues for the Group.
- The audit plan, hard close and auditors' report for 2005.
- The reporting system for legal risks.
- Election of auditors and auditing fees for the auditors.
- Implementation and follow-up of the new IFRS accounting system.
- Scania's pension systems.
- Approval of non-audit services, i.e. those services that fall outside normal auditing work.
- Funding issues.