

Account of the work of the Remuneration Committee in 2005

During 2002 Scania's Board of Directors established a Remuneration Committee. One of the purposes of establishing the Committee was to examine and deal with compensation issues at Scania in a more effective way.

The Remuneration Committee consists of three members chosen from the Board. Since the last AGM, the Committee has consisted of Bernd Pischetsrieder, Scania's Chairman (who has also served as Chairman of the Committee); Sune Carlsson (Scania's Vice Chairman); and myself.

During 2005 the Remuneration Committee held two meetings. After each meeting the Chairman of the Remuneration Committee reports to the Board what issues have been discussed in the Committee. The areas that the Committee works with are primarily compensation and human resource issues.

At the urging of the Remuneration Committee, Scania's President and CEO as well as Scania's CFO attended all of the Committee's meetings. However, they left the meeting when compensation for specific individuals was discussed.

Issues and items of business that were discussed in the Remuneration Committee during 2005 included:

- Salaries and incentive programmes for Scania's employees in Sweden
- Salaries and incentive programmes for Scania's leading employees
- The salary, pension benefits and incentive programmes for Scania's President and CEO