

Account of the work of the Board of Scania etc. by Sune Carlsson

According to Scania's Rules of Procedure, Scania's Board of Directors shall hold at least six regular meetings per year. During 2004 the Board of Scania met on seven (7) occasions.

At its regular meetings, the Board deals with matters of a current nature, capital expenditure issues as well as the company's earnings and trend of earnings. The Board's various committees report on their work at each meeting to the Board. The Board also regularly discusses various aspects of Scania's operations, for example management recruitment, financing, product development and various market issues.

At several meetings during 2004, the Board devoted considerable time to Scania's offer for Ainax, which was approved by the Extraordinary General Meeting on 19 November 2004 based on the Board's proposal. The offer for Ainax was well received by the market and was accepted by shareholders representing more than 96 percent of the shares in Ainax. The offer and its outcome have meant that the complicated ownership structure that had survived after Volvo's attempt to take over Scania has finally been resolved.

Another important item of business for the Board during 2004 was naturally Scania's launch of the new truck series, which has gone very nicely and has received well-deserved and extensive publicity, as you heard earlier from Leif Östling. Other important issues and items of business that were discussed by the Board during 2004 included:

- Scania's restructuring of borrowing under its Euro Medium Term Note and Medium Term Note programmes in February.
- The new Communications Policy for Scania that was drafted in May.
- Scania's strategies.
- Among major investments approved during 2004 were the upgrading of Scania's engine platform, a new painting facility in the Netherlands and the renovation of Scania Syd in Södertälje.
- The Board also devoted considerable time to corporate governance issues, an area in which Scania has long been in the forefront. On 16 December last year, the Swedish Code of Corporate Governance was presented. It is the opinion of Scania's Board of Directors that Scania

essentially already fulfils the requirements of this code, but since the code had not yet entered into force, Scania did not take the code into special consideration in the Annual Report for 2004.