

CORPORATE GOVERNANCE REPORT

DEAR SHAREHOLDER,

This past season was one of the best in SkiStar's history, largely due to an attractive product that draws guests to our destinations and also to the effects of the Group-wide development of the "Five destinations, one company" project that was initiated during the year.

It is important for SkiStar's corporate governance to be practical and effective, in line with current regulatory frameworks and a support for the Company's operations. The Board of Directors is responsible for organisation and direction, and works closely with the CEO and management. The Board also works on strategic issues and ensures that day-to-day operations function efficiently.

The Board's focus during the year has been on measures and outcomes associated with the savings programme, investments, destination activities and growth of property development.

SkiStar must have, and indeed does have, a strong financial base. This allows investments



to be made in the business and dividends to be distributed to you as a shareholder. The Board has

proposed a dividend of SEK 4 per share. The dividend corresponds to 63 percent of profit after tax, which is in line with the dividend policy to distribute at least 50 percent of profit to shareholders. It is important for SkiStar's shareholders to receive a good return over time. This comes in the form of dividends and also the benefits associated with being a shareholder.

It is important for you as a shareholder to feel secure in your investment in the SkiStar share. I would also like to take the opportunity to invite you and all our guests to take advantage of our memorable winter experiences.

Thank you for placing your confidence in us.

ERIK PAULSSON

Chairman of the Board

CORPORATE GOVERNANCE

SkiStar's corporate governance is based on the Articles of Association, the Swedish Companies Act, NASDAQ Stockholm AB's rules for issuers, the Swedish Corporate Governance Code and other relevant Swedish and foreign laws and regulations.

Guidelines on the Swedish Corporate Governance Code are available on the website of the Swedish Corporate Governance Board (bolagsstyrning.se). Internal guidelines such as the Articles of Association and this document are available on SkiStar's website (www.skistar.com/corporate).

OWNERSHIP STRUCTURE

SkiStar had 27,321 shareholders at 31 August 2015 according to the register of shareholders kept by Euroclear Sweden AB. The three largest shareholders in terms of voting rights represented 66.11% of the votes and 51.91% of the share capital.

The distribution is shown in the Administration Report on page 48. Shares held by Swedish private individuals, either directly or through companies, amounted to 67.71%, while Swedish institutional ownership represented 19.77% of the share capital. Foreign private individuals accounted for 0.13% of the share capital and foreign institutional ownership represented 12.39%.

SHARE CAPITAL AND VOTING RIGHTS

SkiStar's share capital at 31 August 2015 amounted to SEK 19,594,014, divided into 39,188,028 shares: 1,824,000 Class A shares and 37,364,028 Class B shares. Class A shares entitle the holder to

ten votes, while Class B shares entitle the holder to one vote. All shares carry equal entitlement to a share of the Company's assets and profit, and equal rights to dividends. In addition to what is stated above, SkiStar's Articles of Association do not contain any restrictions on how many votes each shareholder may exercise at a general meeting.

ANNUAL GENERAL MEETING

The Annual General Meeting is SkiStar's highest decision-making body. The Annual General Meeting shall be held within six months of the end of the financial year. All shareholders who are listed in the register of shareholders and who have notified the Company of their intention to attend within the prescribed time are entitled to participate and vote according to the total number of shares owned. Shareholders who are not able to attend in person may be represented by proxy. A shareholder or proxy may bring a maximum of two advisors.

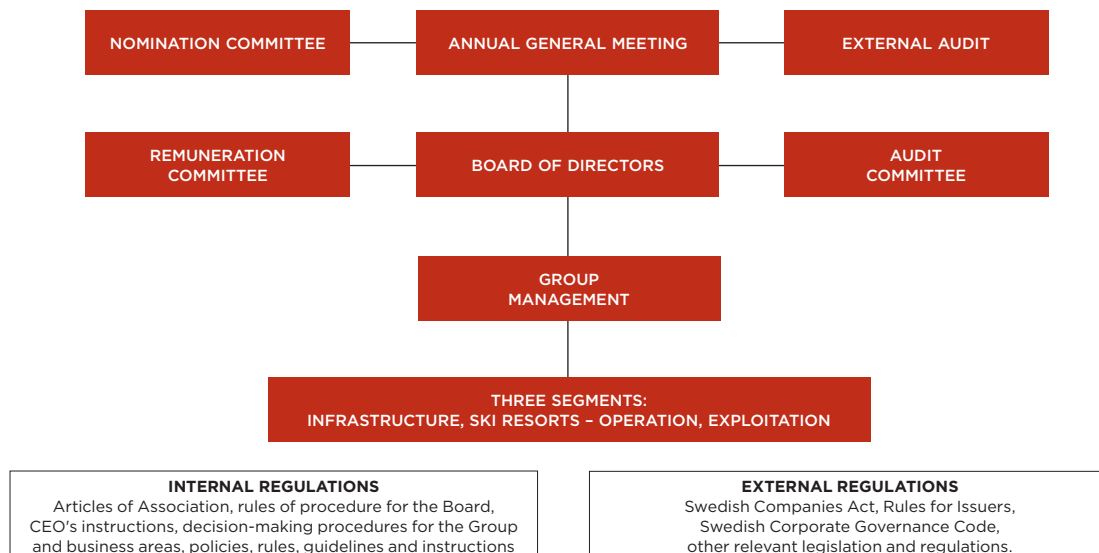
A notice convening the Annual General Meeting shall be placed in Post- och Inrikes Tidningar and on the Company's website, www.skistar.com/corporate. The release of the notice shall be announced in Dagens Nyheter. Shareholders wishing to attend the Annual General Meeting must be listed in the full printout of the register of shareholders showing the status five working days before the meeting and must notify the Company of their intention to attend no later than 12 noon on the date specified in the notice convening the meeting, also stating the number of advisors attending.

This date may not be a Sunday, any other public holiday, a Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth working day prior to the meeting.

The annual general meetings shall be held in Sälen, Åre or Stockholm.

The following matters shall be dealt with at the Annual General Meeting:

1. Election of a chairman of the meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of two persons to verify the minutes.
5. Determination of whether the meeting has been duly convened.
6. Presentation of the annual accounts and auditors' report and the consolidated accounts and auditors' report for the Group.
7. Resolution on the adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet.
8. Resolution on the appropriation of the Company's profit or loss according to the adopted balance sheet.
9. Resolution on discharge from liability of the Board of Directors and the CEO.
10. Determination of remuneration of the Board of Directors and auditors.
11. Election of the Board of Directors and, if applicable, election of auditors and deputies.
12. Other matters to be dealt with by the meeting pursuant to the Swedish Companies Act or the Articles of Association.



2014 ANNUAL GENERAL MEETING

A total of 178 shareholders, representing 76% of the voting rights, attended the Annual General Meeting held at Experium in Sälen on 13 December 2014.

At the Annual General Meeting, the Board was granted authorisation to purchase and sell the Company's own shares. The authorisation entitles the Board to adopt a resolution on the acquisition of the Company's Class B shares on one or more occasions in the period up to the next AGM. However, the Company's holding of its own shares shall not at any one time exceed ten percent of the Company's total shares. The purchase shall be conducted in a regulated market and may only occur at a price within the current registered price interval, which is the interval between the highest buying price and lowest selling price, or through a purchase offer addressed to all shareholders.

The authorisation also entitles the Board, in the period until the next Annual General Meeting, to adopt a resolution on the sale of the Company's own shares in a regulated market or comparable marketplace in connection with the acquisition of a company or business. The authorisation includes the right to decide on a derogation from shareholders' preferential rights and to decide on whether payment will be in cash, in kind, by offsetting or will be subject to other conditions. The authorisation may be exercised on one or more occasions up to the maximum number of shares that can be acquired under the mandate to purchase the Company's own shares.

The authorisation is aimed at giving the Board of Directors greater flexibility in optimising the Company's capital structure and, where appropriate, making acquisitions. The repurchases and sale of own shares only applies to Class B shares.

The Board's authorisation to issue own shares had not been exercised at the time of publication of this annual report.

2015 ANNUAL GENERAL MEETING

The 2015 Annual General Meeting will be held at Experium in Sälen at 2.00 p.m. on 12 December. Further information can be found at www.skistar.com/corporate

NOMINATION COMMITTEE

The Company's Nomination Committee is elected by the Annual General Meeting for a period of one year. The Nomination Committee's duties are to prepare proposals concerning Board members, Board fees, the Chairman of the Board, the Chairman of the Annual General Meeting and the Nomination Committee for the following financial year. When applicable, the Nomination Committee will also make proposals for the election of auditors and for auditors' fees, assisted by the Audit Committee. The composition of the Nomination Committee prior to the 2015 Annual General Meeting is as follows: Mats Paulsson (own company and family), Magnus Swärd (Backahill AB), Anna Jakobson (Nordea Alfa) and Per-Uno Sandberg (independent). The Nomination Committee appoints a Chairman from its members. All shareholders have had the opportunity to submit nomination proposals to the Committee.

BOARD OF DIRECTORS

Composition of the Board

The Board of Directors is appointed by the Annual General Meeting in accordance with the Companies Act and the Board Representation (Private Sector Employees) Act. The Articles of Association do not contain any provisions on the appointment and dismissal of Board members over and above the provision on the number of members and deputies.

Apart from Board members who, pursuant to Swedish law, may be appointed other than by an Annual General Meeting, the Board shall consist of four to nine members, with a maximum of three

deputies. Board members are elected until the end of the next Annual General Meeting after the year of the Board Member's election.

At the Annual General Meeting held on 13 December 2014, six members were elected to the Board: Erik Paulsson, Chairman, Mats Paulsson, Per-Uno Sandberg, Eivor Andersson, Pär Nuder and CEO Mats Årjes. In addition, two employee representatives were also elected: Katarina Hjalmarsson, Unionen, and Bengt Larsson, HRF. Three of the Board members are not considered to be independent of the Company: Mats Årjes in his role as CEO of SkiStar, Mats Paulsson in his role as Deputy Chairman of the construction company Peab, with which SkiStar has construction contracts, and Erik Paulsson on the basis of a close family relationship with Mats Paulsson. See Derogations from the Swedish Corporate Governance Code on page 87. Information about each Board member's age, education, directorships, shareholdings etc. is presented on page 88.

Work of the Board

The work of the Board of Directors is governed by the rules of procedure adopted by the Board at its inaugural meeting each year. Chairman of the Board Erik Paulsson directs the work and maintains continuous contact with the CEO in order to monitor the Group's operations and development. The principle tasks of the Board are related to strategic matters, business plans, financial statements and large investments and sales. The Board of Directors held six scheduled meetings during the 2014/15 financial year. Board members' attendance is shown in the table on page 87. The work of the Board is evaluated regularly. SkiStar's CFO, Åsa Wirén, is the Board's Secretary.

Remuneration Committee

At the inaugural Board meeting on 13 December 2014, Erik Paulsson was elected as Chairman of

the Remuneration Committee and Per-Uno Sandberg and Mats Paulsson were elected as members. The Remuneration Committee prepares matters concerning salaries, retirement benefits, bonus programmes and other employee benefits for the CEO and management of SkiStar. The Remuneration Committee does not have decision-making power, but prepares and reports on matters to the Board as a whole. The Committee held two meetings during the financial year, with all members present. See the table on page 87.

Audit Committee

At the inaugural Board meeting on 13 December 2014, Per-Uno Sandberg was elected as Chairman of the Audit Committee and Eivor Andersson and Pär Nuder were elected as members. The Audit Committee is responsible for ensuring that a high standard of financial reporting is upheld. The Committee also maintains regular contact with the Company's auditors, produces guidelines on negotiating service contracts with the Group's auditing firm and evaluates auditing activities. The Committee also assists the Nomination Committee in the nomination and remuneration of auditors. The Audit Committee does not have decision-making power, but prepares and reports on matters to the Board as a whole. The Audit Committee held three meetings during the financial year. Committee members' attendance is shown in the table on page 87.

External auditors

At the Annual General Meeting on 13 December 2014, Ernst & Young was appointed as the Company's external auditor for a period of one year. Authorised Public Accountant Erik Åström is auditor in charge. The results of the audit are reported regularly to Group Management and the Audit Committee during the year. The auditor meets the Company's Board of Directors on at least one occasion during the year. The external auditor's independence is regulated under the Audit Committee's separate rules of procedure, adopted by the Board. The document also specifies the non-auditing services for which the external auditor may be engaged. Fees to the auditor are paid on an approved current account basis. Further information about remuneration can be found in note 6.

Remuneration of the Board

The 2014 Annual General Meeting adopted total remuneration of SEK 860 (615) thousand for the elected Board members, which was distributed as follows: SEK 220 thousand to the Chairman of the Board and SEK 160 thousand to each of the other non-executive Board members. No additional fees were paid for committee work.

OPERATIONAL MANAGEMENT

There are a number of guiding policies in place to support the operations. See the illustration below.

CEO

The CEO, who is also the Group President, is responsible for the day-to-day management of the Company in accordance with the Board's guidelines and instructions. As support during the financial year, he has been assisted by a CFO, three Resort Managers and a number of Group staff functions. The CEO is responsible for ensuring the Board regularly receives information and support material they need in order to assess the Group's financial position and make appropriate decisions.

Information about the CEO's age, education, directorships, shareholdings etc. is presented on page 90.

The Company's Management Group

The Company's Management Group consisted of six individuals during the 2014/15 financial year: the CEO, the CFO, the Marketing and Sales Manager, the Resort Manager for the Norwegian destinations Hemsedal and Trysil, and two Resort Managers in Sweden, one for Åre-Vemdalen and one for Sälen.

FINANCIAL REPORTING

External financial reporting

SkiStar applies International Financial Reporting Standards (IFRS) in preparing the consolidated financial statements. The quality of the ongoing external financial reporting is ensured by a number of internal measures and procedures. The auditors review the Company's nine-month report.

The Board is responsible for internal control, in accordance with the Swedish Companies Act and the Swedish Corporate Governance Code.

DESCRIPTION OF INTERNAL CONTROL

Control environment

A clear division of roles and responsibilities in the rules of procedure for the Board of Directors and its committees and in the CEO's instructions ensures effective management of operational risks. Company management reports regularly to the Board in accordance with defined procedures. Company management is responsible for the internal controls required to manage significant risks in the day-to-day operations of the Company. Having a common business system for both external reporting and internal monitoring, budgeting and forecasts strengthens the control environment and the reliability of financial reporting. The Audit Committee assists the Board in its continuous monitoring of internal control, which includes evaluating and discussing important technical accounting and reporting issues. During the financial year, the Audit Committee received reports from management concerning the internal control projects that have been implemented. The Audit Committee held three meetings during the financial year.

Risk assessment

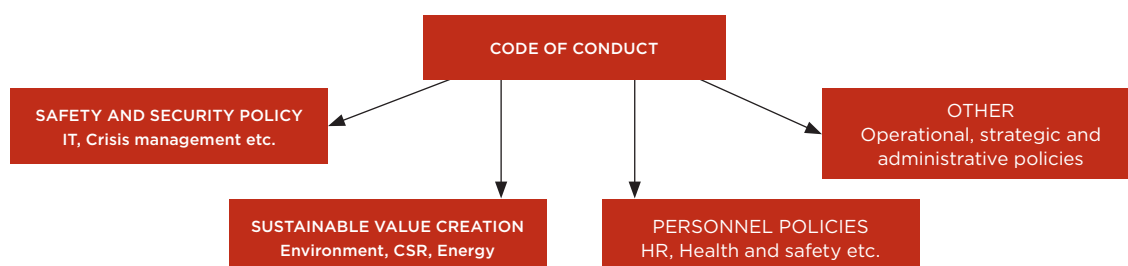
The Board ensures that risk assessments are conducted for significant risks to which the Company may be exposed in the context of its financial reporting. This includes identifying income statement and balance sheet items for which the risk of error is significant, and designing a control system to prevent and detect such errors. This is largely achieved by quickly identifying events in the operations or external environment that may affect the financial reporting and monitoring changes in financial reporting regulations and recommendations that concern the Company's financial reporting.

Control activities

The Company works continuously to eliminate and reduce significant risks affecting internal control over financial reporting. Control activities aimed at managing risks include:

- * The management group's monitoring and analysis.

POLICIES



- * Special review of the Company's IT systems with an emphasis on the sales system. Continuous monitoring of compliance with authorisation instructions and structures.
- * Annual review of the handling of payment methods at the Company's sales outlets.
- * Other ongoing forms of reconciliation and physical checks.

Information and communication

In order to ensure compliance with the Company's policies, guidelines and recommendations, this information must be well documented and communicated within the Company. In order to ensure effective information and communication, the management group holds regular meetings with representatives from the Company's destinations and from the staff functions. Policies, manuals and instructions are available on the Company's intranet.

Monitoring

The Board of Directors continuously evaluates the information provided by management and the Audit Committee and ensures that identified internal control deficiencies are addressed. The Audit Committee's work and the external auditors' reports are of particular importance to monitoring.

Internal audit

The Board has made the assessment that the control and monitoring described above is currently sufficient to ensure the efficiency of internal control without the need for a separate internal auditing function.

ARTICLES OF ASSOCIATION

The Company's current Articles of Association, adopted at the 2011 AGM, were registered in January 2012. The articles do not contain any provisions on the procedure for amending the Articles of Association.

COMPLIANCE WITH THE SWEDISH CORPORATE GOVERNANCE CODE

Descriptions and explanations of SkiStar's derogations from the Swedish Corporate Governance Code are presented on this page.

The auditor's statement regarding this Corporate Governance Report is presented on the right.

16 November 2015
SkiStar AB (publ)

BOARD OF DIRECTORS

	Attendance	Independent of the Company	Attendance, Audit Committee	Attendance, Remuneration Committee	Remuneration
<i>Elected Board Members</i>					
Erik Paulsson	6/6			2/2	220,000
Mats Paulsson	6/6			2/2	160,000
Per-Uno Sandberg	6/6	x	3/3	2/2	160,000
Eivor Andersson	5/6	x	2/3		160,000
Pär Nuder	6/6	x	2/3		160,000
Mats Årjes	6/6				
<i>Employee representatives</i>					
Bengt Larsson	6/6				
Katarina Hjalmarsson	3/6				

DEROGATIONS FROM THE SWEDISH CORPORATE GOVERNANCE CODE 2014/15

Code ref.	Description	Derogation	Explanation
2.4	Composition of the Nomination Committee	According to the Code, a Board member may not act as chair of the Nomination Committee. SkiStar's Nomination Committee has elected a Board member as its Chairman.	The Board member has an active role and is considered well suited for the position of Chairman.
4.4	Board size and composition	According to the Code, the majority of the elected Board members shall be independent of the Company and its management. Half of SkiStar's Board members are independent of the Company and its management.	The assessment is that the Board is able to act independently, even without a majority of members who are independent of the Company and its management.
9.2	Criteria for composition of the Remuneration Committee	The Chairman of the Board is also Chairman of the Remuneration Committee, which means that the other members must be independent. Only one of the two other members is independent.	The assessment is that the Remuneration Committee is able to act independently, even though one member of the Code is not considered independent in accordance with the Code.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the annual meeting of the shareholders of SkiStar AB (publ),
corporate identity number 556093-6949

It is the board of directors who is responsible for the corporate governance statement for the year 2014-09-01 – 2015-08-31 on pages 84–87 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. In our opinion, the corporate governance statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Sälen 16 november 2015
Ernst & Young AB

Erik Åström
Authorized Public Accountant