

CORPORATE GOVERNANCE REPORT

FOR EOLUS VIND AB (PUBL)

Eolos Vind AB is a Swedish public limited liability company that has been listed on Nasdaq Stockholm since February 2, 2015. Eolos is governed through General Meetings, the Board of Directors, the CEO and Group management in accordance with the Swedish Companies Act, the Articles of Association and the rules of procedure for the Board of Directors and CEO. Representatives from the Eolos Group's management are also members of its subsidiaries' boards.

With Nasdaq Stockholm, Eolos has committed to apply the Swedish Corporate Governance Code (the "Code"), which is to be applied by all Swedish limited liability companies whose shares are traded on a regulated market in Sweden.

As far as Eolos is aware, the company has not breached any of the regulations issued by the marketplace on which the company's shares or depositary receipts are traded or any fair dealing practices in accordance with resolutions by the disciplinary committee of the respective stock exchanges or statements from the Swedish Securities Council during the 2014/2015 fiscal year.

ARTICLES OF ASSOCIATION

The current Articles of Association were adopted at the Annual General Meeting on January 26, 2013. It states that the Board's registered office is to be in Hässelholm, Sweden, that the Board's members be elected every year by the Annual General Meeting for a period up to the next Annual General Meeting, and that one Class A share entitles the holder to one vote while one Class B share entitles one-tenth of a vote. The complete Articles of Association are available in Swedish on Eolos's website, www.eolusvind.com.

GENERAL MEETINGS

The shareholders exercise their decision-making rights regarding central issues at the General Meeting. The Meeting resolves on adoption of the income statement and balance sheet, appropriation of the company's profit or loss, discharge of liability for Board members and CEO, election of the Board of Directors and auditors, and remuneration of the Board of Directors and auditors.

Notice convening the Annual General Meeting for Eolos must be issued not earlier than six weeks and not later than four weeks prior to the Meeting, in accordance with the Swedish Companies Act.

The notice is to be advertised in Post- och Inrikes Tidningar and on Eolos's website. The fact that notification has been issued is announced in Swedish daily Dagens Industri. Shareholders who wish to participate in the Annual General Meeting are to notify the company by no later than the date stipulated in the notice.

2015 ANNUAL GENERAL MEETING

Eolos's 2015 Annual General Meeting was held in Hässelholm, Sweden, on January 24, 2015. Some 97 shareholders, representing 39.3% of the votes, attended the meeting, personally or through proxy. General Counsel Karl Olsson was elected Chairman of the Meeting. The Board members in attendance were Hans-Göran Stennert, Niclas Eriksson, Jan Bengtsson, Sigrun Hjelmquist, Fredrik Daveby and Bengt Simmingsköld. Tord Johansson was absent. Also in attendance were members of Group management and the company's auditor. The Minutes of Meeting are available in Swedish on Eolos's website, www.eolusvind.com. All resolutions were made in accordance with the proposals from the Nomination Committee and the Board of Directors.

A few of the resolutions made by the Meeting include:

- Dividend of SEK 1.50 per share for the 2013/2014 fiscal year.
- The Board of Directors is to comprise seven members, but no deputy members.
- Re-election of Board members Hans-Göran Stennert, Niclas Eriksson, Jan Bengtsson, Sigrun Hjelmquist, Tord Johansson, Fredrik Daveby and Bengt Simmingsköld.
- Re-election of Hans-Göran Stennert as Board Chairman.
- Election of PricewaterhouseCoopers AB as the company's new auditors with Eva Carlsvi as Auditor in Charge.

- Fees to the Board Chairman, Board members and auditor.
- Rules for the appointment and work of the Nomination Committee.

2015 EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting was held on June 2, 2015 and covered the extra dividend carried out through (i) a 2:1 split of the Eolos share, (ii) a stock dividend to ensure that Eolos's share capital does not decline as a result of the redemption and (iii) a reduction of Eolos's share capital for repayment to the shareholders. Eolos's restricted equity and its share capital remained unchanged following completion of these measures.

2016 ANNUAL GENERAL MEETING

The next Annual General Meeting for Eolos's shareholders will be held at Hässelholms Kulturhus on Saturday, January 30, 2016 at 3:30 p.m. More details about the Annual General Meeting, registration, etc. is available in Swedish on Eolos's website.

NOMINATION COMMITTEE

The Nomination Committee nominates the people who are proposed for election to the Board of Directors at the Annual General Meeting. It also presents proposals for auditors' fees, Board fees to the Chairman and other Board members, and remuneration for committee work. All the proposals are presented at the Annual General Meeting, in the notice and on the website ahead of the Annual General Meeting.

The Nomination Committee comprises the Board Chairman and representatives for Eolos's three largest shareholders in terms of the number of votes on July 9, 2015. Hans-Göran Stennert, Board Chairman, presented the composition of the Nomination Committee on July 9, 2015.

The Nomination Committee comprises the following members:

Name	Represents	Holding on May 31, 2015
Hans-Göran Stennert	Chairman of the Board	
Ingvar Svantesson	Domneåns Kraftaktiebolag	15.3%
Hans Gydell (Chairman)	Hans-Göran Stennert	11.8%
Hans Johansson	Åke Johansson	6.4%

The Nomination Committee has held two minuted meetings ahead of the 2016 Annual General Meeting. The work of the Nomination Committee begins with the members reviewing the evaluation of the Board carried out during the year. The Committee's conclusion is that the work of the Board has functioned well during the year. The Nomination Committee notes that one person is not available for re-election and that there is one vacancy on the Board. Otherwise, the Nomination Committee finds that the Board consists of a sound, appropriate mix of competence and experience.

THE BOARD OF DIRECTORS AND ITS WORK

Eolos's Board of Directors decides on the company's business orientation, strategy, business plan, resources and capital structure, organization, acquisitions, major investments and divestments, annual reports and interim reports, as well as other comprehensive matters of a strategic nature. The Board also appoints the CEO who is in charge of the day-to-day management in accordance with the Board's instructions.

BOARD MEMBERS

Board members are elected every year by the Annual General Meeting for the period up until the next Annual General Meeting. According to the Articles of Association, the Board is to comprise no fewer than four and no more than ten regular members and no more than six deputy members.

The Board comprised seven members as of the Annual General Meeting on January 24, 2015. For a presentation of the Board Chairman and Board members, see pages 76-77. Following the death of Tord Johansson on October 10, 2015, the Board has since comprised six members. Eolos's CEO is not a member of the Board but participates, as does the CFO and General Counsel, as a rule at the Board meetings as rapporteurs.

THE WORK OF THE BOARD

At the first regular Board meeting following the Annual General Meeting, Eolus's Board adopts written instructions that describe the Board's rules of procedure. The adopted rules of procedure stipulate the division of duties among the Board's members and how often the Board will convene. Furthermore, the rules of procedure regulate the Board's duties, quorum, instructions for the CEO, the division of responsibilities between the Board and the CEO, and more.

The Board has also internally established a Remuneration Committee comprising three members of the Board and an Audit Committee comprising the entire Board.

The Board convenes according to a one-year plan proposed in advance and more meetings are arranged as needed. The Board had nine minuted Board meetings during the 2014/2015 fiscal year.

Items on the agenda for 2014/2015 included:

- Annual financial statements including the auditors' report, the proposed distribution of profit and the year-end report.
- Annual report and preparations ahead of the Annual General Meeting.
- Follow-up with the auditor in charge regarding the year's audit.
- Interim reports.
- Rules of procedure for the Board and CEO.
- Adoption of the new business plan for the 2016-2018 fiscal years and the budget for the 2016 fiscal year.
- Strategic issues and risks.

In addition to the Board meetings, the Board Chairman and the CEO have an ongoing dialogue regarding the management of the company. The CEO, Per Witalisson, is in charge of implementation of the business plan, the day-to-day management of the company's affairs and the daily operations of the company. Before Board meetings, the Board receives written information in the form of a CEO report that contains a follow-up of the company's sales, operational results, liquidity forecasts, interest rate and currency hedging, details concerning order books, the number of wind turbines under construction, and the number of "risk turbines" (the number of turbines ordered from the supplier without the existence of a signed customer contract or written credit promise) as well as comments concerning the various market trends. Prior to the Board meetings, the Board will also have access to the balance statements and cash-flow statements.

The Board Chairman presents to the Board the results of the annual evaluation of the Board's work. The evaluation includes the composition of the Board, the individual Board members and the Board's work and procedures.

The Code contains rules concerning the Board members' independence and stipulates that the majority of the Board members are to be independent in relation to the company and company management. At least two of the Board members who are independent in relation to the company and company management must also be independent in relation to all shareholders who control ten percent or more of the shares or the votes in Eolus Vind AB. No more than one person from company management may be a member of the Board.

BOARD ATTENDANCE DURING THE 2014/2015 FISCAL YEAR

	Function	Independent ¹	Board meeting	Remuneration Committee
Hans-Göran Stennert	Chairman	2	9 of 9	1 of 1
Fredrik Daveby	Board member	X	8 of 9	1 of 1
Bengt Simmingsköld	Board member	X	9 of 9	
Sigrun Hjelmqvist	Board member	X	9 of 9	1 of 1
Jan Bengtsson	Board member	X	9 of 9	
Niclas Ericsson	Board member	X	9 of 9	
Tord Johansson	Board member	X	8 of 9	

¹ According to the definition in the Swedish Corporate Governance Code.

² Not independent (in relation to Eolus's major shareholders).

REMUNERATION COMMITTEE

The Remuneration Committee comprises Hans-Göran Stennert, Sigrun Hjelmqvist and Fredrik Daveby. Hans-Göran Stennert is the Committee's Chairman. The duties of the Remuneration Committee include:

- to prepare Board decisions on matters regarding remuneration policy, remuneration and other terms of employment for senior management including proposals to the Board for the guidelines for remuneration of senior executives that the Annual General Meeting is to resolve on,
- monitor and evaluate any ongoing and during-the-year adopted programs for variable remuneration to company management,
- monitor and evaluate the application of the guidelines for remuneration to senior executives decided by the Annual General Meeting as well as relevant remuneration structures and levels in the company,
- ensure that the company's auditor submits a written statement to the Board no later than three weeks before the Annual General Meeting regarding whether the guidelines for remuneration of senior executives valid since the previous Annual General Meeting have been followed, and
- carry out the other duties that are assigned the Remuneration Committee in the Code and other applicable rules and regulations for the company.

The Remuneration Committee held one minuted meeting during 2014/2015 at which all members were in attendance.

AUDIT COMMITTEE

The company has decided that the Board in its entirety will carry out the committee's duties.

The duties that the Board will carry out in this function include:

- monitor the company's financial reporting and prepare the Board's quality assurance of the same,
- regarding the financial reporting, monitor the effectiveness of the company's internal control and risk management,
- review and monitor the auditor's impartiality and independence, and thereby pay particular attention to whether the auditor provides other services than audit services,
- assist the Nomination Committee in preparing proposals for the General Meeting's resolution regarding election of auditors and fees for the audit assignment,
- regularly meet the company's auditor for updates concerning the scope and methodology of the audit and to discuss the approach to the company's risks,
- evaluate the audit assignment and inform the company's Nomination Committee or, when applicable, a special nomination committee of the results of the evaluation, and
- execute the other duties of the Audit Committee required by law, the Code, and other relevant rules and regulations for the company.

CEO

The CEO of Eolus is Per Witalisson (born 1971), Master of Business Administration. The Board of Directors has adopted instructions for the work and role of the CEO. The CEO is responsible for the day-to-day management of the Group's business in accordance with the Board's guidelines. For a presentation of the CEO, see page 24. For remuneration of the CEO, see Note 6.

GROUP MANAGEMENT

Per Witalisson leads the work of Group management and makes decisions in consultation with the rest of management. Group management comprises four people. During the 2014/2015 fiscal year, management convened on 14 occasions in Hässleholm or Malmö in Sweden. Standing items on the agenda are minutes from the previous meeting, reports from the operational groups, finances, project development, establishment, sales and market, operation, foreign operations, personnel, work environment and legal issues.

AUDIT

The Annual General Meeting on January 24, 2015 elected PricewaterhouseCoopers AB (PwC) with Eva Carlsvi as Auditor in Charge.

The auditors audit the annual financial statements and the annual report as well as the company's day-to-day operations and routines in order to ex-

press an opinion about the accounts and the administration of the Board of Directors and the CEO. The annual financial statements and the annual report are audited in October and November. An examination is then made as to whether the Annual General Meeting's guidelines concerning remuneration of senior executives have been followed.

REMUNERATION

REMUNERATION OF THE BOARD

Fees and other remuneration to the Board, including Eolus's Board Chairman, is determined by the Annual General Meeting. In accordance with the resolution at the Annual General Meeting on January 24, 2015, an annual fee totaling KSEK 1,000 was determined, of which KSEK 250 for the Board Chairman and KSEK 125 each for other Board members. For more information concerning remuneration of the Board, see Note 6.

REMUNERATION OF SENIOR EXECUTIVES

Remuneration of the CEO and other members of Group Management (at present Deputy CEO, CFO and General Counsel) is paid in accordance with the guidelines for remuneration of senior executives. The guidelines are adopted by the Annual General Meeting on January 24, 2015, for the period up until the next Annual General Meeting.

According to the guidelines, senior executives are offered market-based and competitive remuneration. The level of remuneration for individual executives is to be based on such factors as position, expertise, experience and performance. Remuneration includes fixed salary and may also include pension benefits, variable salary and other non-monetary benefits. The company is to have the option to offer all senior executives variable remuneration corresponding to no more than one monthly salary per year.

The variable salary is to be based on the achievement of one or more quantitative and qualitative targets, which are to be formulated with the objective of promoting the company's long-term value creation. Furthermore, the company will have the option to offer senior executives a share ownership program under which the company, three years after payment of variable remuneration, reimburses the cost of acquiring half as many shares as the individual acquired for their variable remuneration and continues to hold. For more information concerning remuneration of senior executives, see Note 6.

REMUNERATION OF AUDITORS

Remuneration for the audit assignment is paid against invoice and amounted to KSEK 475 for the 2014/2015 fiscal year. The fee for other services other than the audit assignment paid to PwC totaled KSEK 327 for the 2014/2015 fiscal year. For more information concerning remuneration of auditors, see Note 7.

THE BOARD'S DESCRIPTION OF INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE 2014/2015 FISCAL YEAR

The Board's responsibility for internal control is regulated in the Swedish Companies Act and the Code. This includes monitoring Eolus's financial reporting and the efficiency of the company's internal control and risk assessments.

Internal control over the financial reporting is intended to provide a reasonable level of reliability in the external financial reporting in the form of annual reports and interim reports that Eolus publishes every year, and that the financial statements are prepared in conformity with laws, applicable accounting standards and other requirements for listed companies. Internal control is also intended to ensure high quality in the financial reporting to company management and the Board so that decisions are made on the correct grounds.

To describe the internal control over the financial reporting, Eolus starts from the areas that are the basis of the internal controls according to the framework issued by COSO "Internal Control – Integrated Framework", namely the areas of control environment, risk assessment and control structure, information and communication, as well as monitoring. Eolus is currently reviewing its current internal control framework in order to ensure that it fulfills

the updated specifications in the form of 17 fundamental policies in COSO 2013. This is expected to be completed in 2015. The description below refers therefore to Eolus's internal control system in relation to the 1992 edition of the COSO framework.

CONTROL ENVIRONMENT

The Board has the overall responsibility for the company's internal control. The Board's rules of procedure and the instructions prepared by the Board for the CEO and the Board committees' work clearly defines the division of responsibility and authority in order to ensure effective management of risks in the business operations. Eolus has instructions and routines that are used in the financial reporting process as well as the accounting policies and changes to these. The CEO routinely reports to the Board about the operations and the financial performance prior to every Board meeting. Internal control instruments for the financial reporting comprise primarily the finance and risk policy, the information policy and the Group's accounting manual, which defines the accounting and reporting rules.

RISK ASSESSMENTS AND CONTROL STRUCTURE

Significant risks for the operations is analyzed by the Board of Directors as part of the financial reporting process. The risk areas are documented on the basis of probability and any impact. Based on this, control processes are prepared to ensure a high level of quality in the financial reporting. The organization structure together with the division of responsibility and rules of authorization are clearly described and communicated through instructions. The operations are organized into segments that are monitored.

INFORMATION AND COMMUNICATION

An accounting manual with guidelines and instructions for financial reporting has been prepared. The accounting manual is continuously updated and issued to the concerned employees at Eolus. Before the end of every quarter and annual financial statements, specific instructions are also issued to ensure correct information in the external reporting.

External communication is governed through Eolus's information policy and communication plan, which addresses responsibility and procedures. The policy is continuously evaluated to ensure that all information to the marketplace maintains high quality and is in accordance with the stock exchange regulations. Financial information such as interim reports, annual reports and significant events are published through press releases and on Eolus's website. Meetings with financial analysts are arranged regularly in conjunction with the publication of interim reports.

MONITORING

Group management continuously analyzes the financial performance of the Group's segments. At all levels of the organization, continuous monitoring is generally performed through comparisons against budget, forecasts and plans, as well as evaluation of key figures.

Before the Board meeting, the Board receives financial reporting on Eolus's performance. In addition to formal reporting, there are informal information channels to the CEO and Board for significant information from the employees. The Board continuously evaluates the information provided by the CEO. This involves ensuring that measures are taken regarding any shortcomings and proposed measures that have arisen during the internal control and external audit.

The Board and the auditor have regular dialogues. The entire Board of Directors and the auditor receive a copy of the interim reports before they are published.

OPINIONS ON INTERNAL AUDITS

To date, the Board has not found any reason to establish an internal audit function, as the above functions are deemed to fulfill this duty. However, the Board annually evaluates the need for such a function.