



## **To: The Shareholders of SkiStar AB (publ)**

Notice is hereby given of the Annual General Meeting of shareholders to be held on Tuesday, 9 December 2003, at 3 pm at Berns Salonger, Berzelii Park, Stockholm, Sweden. Coffee will be served from 2.30 pm.

### **Right to participate in the Annual General Meeting**

The shareholders wishing to participate in the Annual General Meeting shall:

- be entered in the share register, administered by VPC AB ("VPC"), as per Saturday, 29 November 2003, and
- register their intention to participate in the Annual General Meeting no later than Wednesday, 3 December 2003, 12 pm.

In order that shareholders, who have their shares registered with an authorised nominee, may be entitled to participate in the Annual General Meeting, such shareholders must reregister their shares, on a temporary basis, in their own names. Such a re-registration must have been conducted with VPC no later than Saturday, 29 November 2003. This implies that the shareholders must inform the nominees of this re-registration in good time prior this date.

### **Registration of participation in the Annual General Meeting**

Registration to participate in the Annual General Meeting shall be submitted, in writing, to SkiStar AB, Aktieägarservice, 780 67 Sälen, Sweden, or by telephone +46 280 880 85, telefax +46 280 218 50, or by e-mail: [aktieagarservice@skistar.com](mailto:aktieagarservice@skistar.com).

The shareholder's name, personal identity number/corporate identity number, address, telephone number and the number and class of shares shall be provided when registering.

Shareholders who are represented by a proxy shall issue a dated, written power of attorney for the proxy. This power of attorney should be sent to the company at the address above, in good time prior to the meeting.

Each shareholder or proxy may be accompanied by not more than two assistants at the meeting. Information regarding assistants shall be provided to the company in conjunction with registration.

### **Proposed agenda**

1. Opening of the meeting.
2. Election of chairman of the meeting.
3. Preparation and approval of voting list.
4. Approval of proposed agenda.
5. Election of two persons to verify the minutes.
6. Consideration of whether the meeting has been properly convened.
7. Presentation of the annual report and audit report, and consolidated financial statements and consolidated audit report.
8. Presentation by the Managing Director.
9. Resolution regarding adoption of the income statement and balance sheet, and the consolidated income statement and consolidated balance sheet.
10. Resolution regarding appropriation of the company's income according to the adopted balance sheet.
11. Resolution regarding discharge from liability for members of the Board of Directors and the Managing Director.
12. Resolution regarding adoption of the fees to the Board of Directors and audit fees.
13. Resolution regarding amendment to the articles of association with clarification that accounting firms may also be appointed as auditors.
14. Election of the Board of Directors and auditors.
15. Resolution regarding authorisation of the Board of Directors with the right to pass resolutions regarding acquisitions and transfers of the company's shares.
16. Directed share issue of promissory notes entitling the subscription of options.
17. Resolution regarding amendment to the recipients who can be granted the previously issued convertible promissory notes.
18. Resolution regarding amendment to the articles of association concerning the location of the general meeting of shareholders.
19. Resolution regarding amendment to the articles of association concerning the object and focus of the company's activities.

### **10. The Board of Directors' resolution regarding the proposed appropriation of profits**

The Board of Directors and Managing Director propose that dividends be paid at SEK 8.00 per share. The date of Friday, 12 December has been proposed as the record day. If the Annual General Meeting passes a resolution in favour of this proposal, the dividends are expected to be paid, through VPC, on 17 December 2003.

### **13. Amendment to the articles of association regarding election of auditors**

The Board of Directors proposes that the articles of association be clarified so that it is clearly stated that registered public accounting firms may also be elected as auditors of the company. The auditor, Lennart Danielsson, and deputy auditor, Mats Niss-Jonsson, both from PricewaterhouseCoopers were elected at the Annual General Meeting of shareholders in 1999 for a period of four years each, and the auditor, Ola Blumenberg, and deputy auditor, Ulla-Britt Larsson, both from PricewaterhouseCoopers, were elected at the Annual General Meeting of shareholders in 2002 for a period of four years each. This situation implies that the election period for Lennart Danielsson and Mats Niss-Jonsson will expire in conjunction with this forthcoming Annual General Meeting, and Ola Blumenberg and Ulla-Britt Larsson will complete their assignments as auditor and deputy auditor after one year.

### **12, 14. Election and remuneration to the Board of Directors and election of auditors**

The Nomination Committee shall, on the basis of a press release in good time prior to the meeting, announce the proposals for the election of Board members and fees for the Board of Directors.

The Nomination Committee proposes that the registered public accounting firm, KPMG, is elected for a period of four years.

### **15. The Board of Directors' proposal entitling the Board of Directors with authorisation to pass resolutions regarding the acquisition and transfer of the company's shares**

The Board of Directors' proposal implies that the Board of Directors is authorised, prior to the next Annual General Meeting of shareholders to pass, on one or more occasions, resolutions regarding the acquisition of a maximum of Class B shares, in order to ensure that the company's holdings do not, at any given point in time, exceed ten percent of the total number of shares in the company. The acquisition of shares shall take place on the Stockholm Stock Exchange and will only take place at a price that is, at any given point in time, within the registered share price interval, that is, the interval between the highest buying rate and the lowest selling rate, or the acquisition will take place on the basis of an offer directed to all shareholders.

Furthermore, the Board of Directors' proposal implies that the Board of Directors is authorised to pass resolutions, prior to the next Annual General Meeting of shareholders, regarding the sale of the company's shares on the Stockholm Stock Exchange or in conjunction with the acquisition of companies or operations. The authorisation includes the right to pass resolutions implying deviation from the preferential rights of the shareholders and that payments can be made on the basis of means other than cash funds. The authorisation may be utilised on one or more occasions and may be utilised in conjunction with the acquisition, as a maximum, of as many shares as can be acquired on the basis of the authorisation.

The purpose of these powers of authorisation is to provide the Board of Directors with increased capacity in its work with the company's capital structure and, as far as is deemed to be necessary, in the context of acquisitions.

In order for an adoption of the proposal concerning authorisation of the Board of Directors to pass resolutions regarding the acquisition and transfer of the company's shares to be valid, a minimum of the equivalent of two thirds of the casting votes and two thirds of the shares represented at the Annual General Meeting must be cast in favour of the proposal.

Only Class B shares may be repurchased.

### **16. Directed share issue of promissory notes associated with the subscription of options**

The Board of Directors proposes that the Annual General Meeting pass a resolution regarding a directed share issue of one promissory note in the nominal amount of SEK 1,000, with 81,000 detachable warrants for the subscription of a total of 81,000 new shares, Class B, in SkiStar AB (publ) ("option rights").

The promissory note shall, with deviation from the preferential rights of shareholders, be subscribed by SkiStar's wholly-owned subsidiary, Sälen Högfjällshotell AB (publ) ("SHAB"), on the condition that this company shall detach the option rights and transfer these to the senior management of the SkiStar Group, in accordance with the allocation principles stated in the complete proposal. Any option rights that are not acquired by the above-mentioned key individuals shall be retained by SHAB to be transferred at market price at a later date, on the basis of instructions from SkiStar's Board of Directors.

The promissory note shall be subscribed to no later than 17 December 2003, but with the right for the Board of Directors to extend the subscription period. The promissory note shall be subscribed at its nominal amount and with an amount of SEK 14 per option right, or with a total of SEK 1,135,000. The term of the promissory note shall be from and including 17 December 2003 up to and including 17 December 2004, with an annual rate of interest equivalent to 4% from the date on which payment for the promissory note is made and until payment is received in full. More detailed terms and conditions regarding the promissory note are stated in the Board of Directors' complete proposal.

Each option right entitles the holder to subscribe to new Class B shares in SkiStar at a nominal value of SEK 2, during the period from and including 18 November 2008 up to and including 17 December 2008. The issue price per share shall be determined on the basis of the Black & Scholes pricing model in the manner described in more detail in the Board of Directors' proposal, with consideration of the listed average price paid for shares in the

company on the Stockholm Stock Exchange, during a period of one week, in December 2003. The terms and conditions for the option rights shall contain the usual recalculation provisions in the event of new share issues and bonus issues, etc. The application of these terms and conditions may result, amongst other things, in a recalculated price at which the subscription of shares can take place and in the issue of another maximum number of shares in the case that the options rights are fully utilised.

When the option rights are fully utilised, share capital may be increased in the total amount of SEK 162,000. The dilution effect in the case the option rights are fully utilised is equivalent to a maximum of 0.8 % of the company's share capital and 0.6% of the votes in SkiStar.

The reason for the Board of Directors' proposed deviation from the shareholders' preferential rights is to create a personal and long-term ownership commitment on behalf of the senior management for future work within the SkiStar Group. The proposal is, thereby, aimed at being beneficial to the company and to all the shareholders.

The Board of Directors also proposes that the Annual General Meeting resolves to approve the takeover of options rights by SHAB, as described above.

In order for a resolution on behalf of the shareholders regarding a new share issue, in accordance with the proposal of the Board of Directors, to be valid, the equivalent of a minimum of nine-tenths of both the number of casting votes and number of shares represented at the meeting must be cast in favour of the resolution.

#### **17. Amendment to the recipients who can be granted previously issued convertible promissory notes**

At the general meeting of shareholders held on 13 May 2003 it was unanimously resolved to issue convertible promissory notes up to an amount of SEK 25,000,000. This issue was directed towards personnel working for the company and its Norwegian and Swedish subsidiaries on a full-year basis, according to the more detailed terms and conditions stated in Appendix A of the minutes. In addition, Sälen Högfjällshotell AB (publ) ("SHAB") holds the right to subscribe to convertible promissory notes with the intention of transferring these on the basis of market terms and conditions to individuals who, after the subscription period, are employed on premises which entitle them to subscribe to such notes. The share issue was fully subscribed and registered with the Swedish Patent and Registration Office. With the intention of increasing the possibility of creating incentives for the employees, the Board of Directors now proposes that the group of individuals to whom SHAB may transfer convertible promissory notes is extended to also include fixed-term employees, including seasonal employees.

In order for a resolution on behalf of the shareholders, regarding the change in the recipients who may be granted promissory notes, in accordance with the proposal of the Board of Directors, to be valid, the equivalent of at least nine-tenths of both the number of casting votes and the number of shares represented at the meeting must be cast in favour of the resolution.

#### **18. Amendment to the articles of association regarding the location of the general meeting of shareholders**

The Board of Directors proposes that the articles of association be amended so that the Annual General Meeting may also be held in Åre.

#### **19. Amendment to the articles of association regarding the object and focus of the company's activities**

The Board of Directors proposes that the object and focus of the company's activities are specified and described in the articles of association as follows:

"The activities of the company are, undertaken by the company itself or by another company, the ownership and operation of leisure centres, with a primary focus on alpine skiing, the conduction of activities as a travel agent, and radio and TV operations, as well as the ownership and administration of property and securities, and other activities associated with such operations."

#### **Documents in conjunction with the Annual General Meeting**

Financial statements, audit report and the Board of Directors' complete proposals to be presented to the Annual General Meeting, described under points 15 and 16 above, will be made available to shareholders at least two weeks prior to the meeting at SkiStar AB, Sälffjällsgården, 780 67 Sälen. Copies of these documents will also be sent by post or e-mail to shareholders as requested upon receipt of their postal or e-mail address.

**Sälen, 11 November 2003**

**The Board of Directors**