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Proposal for decision regarding directed warrant issue and adoption of an incentive program to employees in the Arise Group

The Board of Directors in Arise Windpower AB (publ), reg. no. 556274-6726, (“Arise”), proposes that the Annual general meeting (“AGM”) on April 27, 2011 (i) resolves of an issue of a maximum of 300,000 warrants entitling to subscription of a maximum of 300,000 shares in Arise (the “Warrants”) shall be directed to a by Arise indicated wholly owned Arise Group company, (“Arise Warrant Administration”), and (ii) agrees that a maximum of 300,000 Warrants are issued and transferred to employees of Arise Group, ie. adopts an incentive program for the employees of Arise Group (the “Program”).

1. Issue of warrants

- 1.1 The issue shall comprise maximum 300,000 Warrants. Each Warrant entitles the holder to subscribe for one new share in Arise, enabling subscription of a maximum of 300,000 shares, each with a quota value of eight Swedish öre.
- 1.2 Subscription for Warrants shall be completed by July 1, 2011.
- 1.3 Over-subscription can not be done.
- 1.4 With deviation from shareholders pre-emption right, the Warrants may only be subscribed for by Arise Group companies, Arise Warrant Administration. After subscription, Arise Warrant Administration shall offer and assign a maximum of 300,000 Warrants to employees of the Arise Group in accordance with Section 2 below.
- 1.5 The reasons for the deviation from the shareholders pre-emption right are partly to create opportunities for the Arise Group to recruit and maintain qualified employees, partly - by offering a long-term ownership commitment among employees - to encourage them to an increased interest in the business and its financial development as well as to increase the sense of solidarity with the Arise Group.
- 1.6 For each Warrant, Arise Warrant Administration shall pay a premium corresponding to the Warrant’s market value calculated in accordance with Black & Scholes and conventional assumptions on i.a. volatility and risk-free interest rate at the time of the offer, such assumptions are based on measures made during the period from April 28, 2011 to May 11, 2011 (the “Measuring Period”). The calculations of the market value shall be made by ABG Sundal Collier AB. As of preliminary assumptions (inter alia based on the quotation as of the issue of the Notice to attend the AGM), the premium is estimated to be approximately SEK 3 per Warrant.
- 1.7 For the Warrants and the subscription of the Warrants, the terms stipulated in the attached “Terms of Arise Windpower AB’s (publ) warrants Series 6 2011/2014”, [Appendix 1](#), (the “Warrant Terms”) shall apply.
- 1.8 The Warrant Terms stipulate inter alia:

- (a) that each Warrant entitles the holder to subscribe for one new share for cash payment pursuant to a subscription price set at 125 percent of the volume weighted average share price during the period from April 28, 2011 to May 11, 2011, (days without closing price or settled price shall not be included in the calculation, and the subscription price shall be rounded to the nearest whole number crowns, whereas fifty Swedish öre shall be rounded down);
- (b) that the subscription price and the subscription time may be subject to adjustments in accordance with the Warrant Terms;
- (c) that the Warrants may be used during the period from March 3, 2014, to March 15, 2014;
- (d) that the date of the subscription of the Warrants may, in cases specified in Section 8 of the Warrant Terms, be advanced;
- (e) that the shares issued from the Warrants entitle to dividend in accordance with Section 7 of the Warrant Terms.

2. Transfer of Warrants to employees in the Arise Group

- 2.1 The Program implies that when the Arise Warrant Administration has subscribed for all 300,000 Warrants, these will be offered to employees in the Arise Group in June 2011 for payment of the premium. The employees shall give notice to participate in the Program to Arise by July 1, 2011 at the latest.
- 2.2 All employees employed until further notice in Arise or its Group companies on May 1, 2011, or persons who receive such employment by July 1, 2011 at the latest are eligible to participate in the Program.
- 2.3 For each Warrant, the employee shall pay a premium corresponding to the Warrant's market value calculated in accordance with Black & Scholes and conventional assumptions on i.a. volatility, risk-free interest rate at the time of the offer. Such assumptions are based on measures made during the period from April 28, 2011 to May 11, 2011. As of preliminary assumptions, the premium for the Warrant is estimated to amount to approximately SEK 3 per Warrant.
- 2.4 The following categories of current employees in Arise Group will be offered Warrants:
 - (a) Senior management of Arise shall be entitled to subscribe for a maximum of 20,000 Warrants each, in blocks of a minimum of 100 Warrants.
 - (b) Other employees of Arise and its Group companies shall be entitled to subscribe for a maximum of 6,000 Warrants each, in blocks of a minimum of 100 Warrants.

Board members of Arise shall not be entitled for subscription for Warrants in the Program.

- 2.5 In case of over-subscription, employees shall primarily be allotted Warrants pro rata in relation to the number of Warrants comprised by the application, and thereafter by drawing of lots. The Board of Directors allocates in accordance with the mentioned guidelines.
- 2.6 Warrants that are subscribed for, but not issued by Arise Warrant Administration to employees within the Program, may subsequently be issued and offered to future employees in Arise Group in accordance with market conditions.
- 2.7 The purpose of the Program is partly to create opportunities for the Arise Group to recruit and maintain qualified employees, partly to – by offering a long-term ownership commitment among our employees – encourage the employees to an increased interest in the business, its financial development as well as to increase the sense of solidarity with the Arise Group.

3. Dilutive effect

- 3.1 If all of the Warrants to subscribe for new shares are used, the share capital will increase by SEK 24,000 which corresponds to 300,000 shares with a quota value per share of eight Swedish öre.
- 3.2 In addition, Arise has two outstanding share based incentive programs. Series 4 2008/2011 includes 55,000 warrants, which entitle each holder to subscribe for one new share at a subscription price of SEK 2.50 per share. The program expires on November 30, 2011. Series 5 2008/2015 comprises 192,500 warrants, each entitling to subscription of five new shares at a subscription price of SEK 45 per share. The program expires on February 28, 2015.
- 3.3 The dilutive effect upon full subscription of the 300,000 Warrants proposed to be issued, will be less than one (1) percent of the share capital and the votes in Arise, which together with already outstanding programs provide a cumulative maximum dilution of about 4.4 percent, per the date of the Notice to attend the AGM.
- 3.4 It is noted that Series 2 and 3 has expired per March 31, 2011, i.e. subsequent to the Notice to attend the AGM, and that the maximum dilution now is altogether 4.1 percent.

4. Miscellaneous

- 4.1 The Program is calculated to not cause Arise any costs, since social security contributions are not charged.
- 4.2 The CEO or a person appointed by the Board of Directors shall be authorized to make minor adjustments and clarifications of issue resolution (including the Terms) that may be required in connection with registration with the Swedish Companies Registration Office or Euroclear AB.

- 4.3 The Remuneration Committee has prepared the issue of the Program. The Board of Directors has considered the proposal of the Program in March 2011, and is of the opinion that it fits well with the Arise Group's other remunerations.
- 4.4 The issue is covered by the provisions of the Swedish Companies Act, Section 16. A legally binding resolution requires therefore that this proposal is supported by shareholders representing at least nine tenths of both the given votes and of the shares represented at the meeting.

Halmstad in April 2011

Arise Windpower AB (publ)

The Board of Directors