



Documentation to be presented
at the Annual General Meeting of

CDON Group AB (publ)

Monday 16 May 2011

Agenda

for the Annual General Meeting of CDON Group AB (publ) on Monday 16 May 2011 at 4:30 p.m. CET at the Hotel Rival, Mariatorget 3 in Stockholm.

PROPOSED AGENDA

1. Opening of the Meeting.
2. Election of Chairman of the Annual General Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to check and verify the minutes.
6. Determination of whether the Annual General Meeting has been duly convened.
7. Statement by the Chairman of the Board on the work of the Board of Directors.
8. Presentation by the Chief Executive Officer.
9. Presentation of the Annual Report, the Auditors' Report and the consolidated financial statements and the auditors' report on the consolidated financial statements.
10. Resolution on the adoption of the income statement and balance sheet and of the consolidated income statement and the consolidated balance sheet.
11. Resolution on the proposed treatment of the Company's unappropriated earnings or accumulated loss as stated in the adopted Balance Sheet.
12. Resolution on the discharge of liability of the directors of the Board and the Managing Director.
13. Determination of the number of directors of the Board.
14. Determination of the remuneration to the directors of the Board and the auditor.
15. Election of the directors of the Board and the Chairman of the Board.
16. Approval of the procedure of the Nomination Committee.
17. Resolution regarding Guidelines for remuneration to the senior executives.
18. Resolution regarding incentive programme comprising the following resolutions:
 - (a) adoption of an incentive programme;
 - (b) amendment of the Articles of Association;

- (c) authorisation to resolve to issue Class C shares;
- (d) authorisation to resolve to repurchase own Class C shares;
- (e) transfer of ordinary shares

19. Resolution on amendment of the Articles of Association.

20. Closing of the Meeting.

The Board of Directors' proposals to be presented at the Annual General Meeting of CDON Group AB (publ) on Monday 16 May 2011

The following proposals are numbered according to the proposed agenda.

DIVIDENDS (Item 11)

The Board of Directors proposes that the retained profits and the share premium reserve and the profit for the year, a total of SEK 216,283,275.27 to be carried forward, whereof SEK 139,870,129 to the share premium reserve.

GUIDELINES FOR REMUNERATION TO THE SENIOR EXECUTIVES (Item 17)

The Annual General Meeting 2011 is asked to decide on the following guidelines, proposed by the Board of Directors, for determining remuneration for senior executives (below the “**Executives**”).

Remuneration guidelines

The objective of the guidelines is to ensure that CDON Group can attract, motivate and retain senior executives, within the context of CDON Group's peer group, which consists of Nordic online and off-line retailing companies. The remuneration shall be based on conditions that are market competitive and at the same time aligned with shareholders' interests. Remuneration to the Executives shall consist of a fixed and variable salary, as well as the possibility of participation in a long-term equity based incentive programme and pension schemes. These components shall create a well balanced remuneration reflecting individual performance and responsibility, both short-term and long-term, as well as CDON Group's overall performance.

Fixed salary

The Executives' fixed salary shall be competitive and based on the individual Executive's responsibilities and performance.

Variable salary

The Executives may receive variable remuneration in addition to fixed salaries. The contracted variable remuneration will generally not exceed a maximum of 75 percent of the fixed annual salary. The variable remuneration shall be based on the performance of Executives in relation to established goals and targets.

Other benefits

CDON Group provides other benefits to the Executives in accordance with local practice. Other benefits can include, for example, a company car and company health care. Occasionally, housing allowance could be granted for a defined period.

Pension

The Executives shall be entitled to pension commitments based on those that are customary in the country in which they are employed. Pension commitments will be secured through premiums paid to insurance companies. Under normal circumstances the retirement age is 65 years.

Notice of termination and severance pay

The maximum notice period in any Executive's contract is twelve months during which time salary payment will continue. The Company does not generally allow any additional contractual severance payments.

Deviations from the guidelines

In special circumstances, the Board of Directors may deviate from the above guidelines, for example additional variable remuneration in the case of exceptional performance. In such a case the Board of Directors shall explain the reason for the deviation at the following Annual General Meeting.

There is no deviation during 2010 compared with the remuneration guidelines for senior executives approved by the Extraordinary General Meeting in September 2010.

The auditor's statement according to Chapter 8, Section 54 of the Companies Act regarding whether there has been compliance with the guidelines on remuneration for senior executives which have applied since the Extraordinary General Meeting is found in **Appendix 1**.

PROPOSAL TO IMPLEMENT AN INCENTIVE PROGRAMME (Item 18))

The Board of Directors proposes that the Annual General Meeting resolves to adopt a performance based incentive programme for senior executives and other key employees within the CDON Group in accordance with items 18(a) – 18(e) below. All resolutions are proposed to be conditional upon each other and are therefore proposed to be adopted in connection with each other.

Adoption of an incentive programme (Item 18(a))

Summary of the programme

The Board of Directors proposes that the Annual General Meeting resolves to adopt a performance based incentive programme (the “**Plan**”). The Plan is proposed to include in total approximately 10 senior executives and other key employees within the CDON group. In order to participate in the Plan, the participants are required to own shares in CDON. These shares can either be shares already held or shares purchased on the market in connection with the notification to participate in the Plan. Thereafter the participants

will be granted, by the Company free of charge, rights to retention shares and performance shares on the terms stipulated below.

Personal investment

In order to participate in the Plan, the employees must own shares in CDON. These shares can either be shares already held or shares purchased on the market in connection with the notification to participate in the Plan. The maximum number of shares the employee may invest in under the Plan will correspond to a value of 7,5–10 of the employee's annual base salary.

For each share held under the Plan, the participants will be granted retention rights and performance rights by the Company.

General conditions

Subject to fulfilment of certain retention and performance based conditions during the period 1 April 2011 – 31 March 2014 (the “**Measurement Period**”), the participant maintaining the employment within the CDON Group at the release of the interim report for the period January – March 2014 and subject to the participant maintaining the invested shares during the vesting period ending at the release of the interim report for the period January – March 2014, each right entitles the participant to receive one ordinary share in the Company. Dividends paid on the underlying share will increase the number of shares that each retention right and performance right entitles to in order to treat the shareholders and the participants equally.

Performance conditions

The rights are divided into Series A; retention rights and Series B and C; performance rights. The number of CDON-shares the participant will receive depends on which category the participant belongs to and on the fulfilment of the following defined retention and performance based conditions:

- | | |
|-----------------|---|
| <i>Series A</i> | CDON's total shareholder return on the share (TSR) during the Measurement Period exceeding 0 percent as entry level. |
| <i>Series B</i> | CDON's average gross profit margin during the Measurement Period being at least 18 per cent as entry level and at least 20 per cent as the stretch target. |
| <i>Series C</i> | CDON's total shareholder return on the shares (TSR) during the Measurement Period, being equal to the average TSR for a peer group of listed companies in same sector as determined by the Board of Directors as entry level, and exceeding the average TSR for the peer group with 10 percentage points as the stretch target. When calculating the TSR, March 2011 shall be compared to March 2014. Furthermore, the companies in the peer group which have the highest respectively the lowest TSR shall be excluded from the calculation. |

The determined levels of the conditions include an entry level and a stretch target with a linear interpolation applied between those levels as regards the number of rights that vests.

The entry level constitutes the minimum level which must be reached in order to enable vesting of the rights in that series. If the entry level is reached, the number of rights that vests is proposed to be 100 percent for Series A and 20 percent for Series B and C. If the entry level is not reached, all rights to retention or performance shares (as applicable) in that series lapse. If a stretch target is met, all retention rights or performance rights (as applicable) vest in that series. The Board of Directors intends to disclose the outcome of the retention and performance based conditions in the annual report of 2014.

The retention rights and performance rights

The retention rights and performance rights shall be governed by the following terms and conditions:

- Granted after the Annual General Meeting.
- May not be transferred or pledged.
- Vest after the release of the interim report for the period January – March 2014.
- Dividends paid on the underlying share will increase the number of shares that each retention right and performance right entitles to in order to treat the shareholders and the participants equally.
- Vest provided that the holder is still employed by the CDON Group and has maintained the personal investment during the vesting period ending at the release of the interim report for the period January – March 2014.

Preparation and administration

The Board of Directors, or a committee established by the Board for these purposes, shall be responsible for preparing the detailed terms and conditions of the Plan, in accordance with the mentioned terms and guidelines. To this end, the Board shall be entitled to make adjustments to meet foreign regulations or market conditions. The Board may also make other adjustments if significant changes in the CDON Group, or its operating environment, would result in a situation where the decided terms and conditions for the personal investment, and the allotment and vesting of retention rights and performance rights under the Plan become irrelevant.

Allocation

In total, the Plan is estimated to comprise up to 26,500 shares held by the employees entitling to allotment of up to 172,300 rights, whereof 26,500 retention rights and 145,800 performance rights. The participants are divided into different groups, and in accordance with the above principles and assumptions, the Plan will comprise:

- the CEO can acquire up to 9,000 invested shares within the Plan, each invested share entitling to allotment of 1 Series A right and 3.5 rights each of Series B and C, in total 8 rights per invested share;
- two other members of CDON's management team can each acquire up to 3,200 invested shares within the Plan, each invested share entitling to allotment of 1

Series A right and 3 rights each of Series B and C, in total 7 rights per invested share;

- category 1 (2 individuals) can each acquire up to 1,800 invested shares within the Plan, each invested share entitling to allotment of 1 Series A right and 2 rights each of Series B and C, in total 5 rights per invested share; and
- category 2 (maximum 5 individuals) can each acquire up to 1,500 invested shares within the Plan, each invested share entitling to allotment of 1 Series A right and 2 rights each of Series B and C, in total 5 rights per invested share.

Scope and costs of the Plan

The Plan will be accounted for in accordance with IFRS 2 which stipulates that the rights should be recorded as a personnel expense in the income statement during the vesting period. Based on the assumptions of a share price of SEK 33.30 (closing share price of the CDON share on 5 April 2011), a maximum participation, an annual employee turnover of 10 percent among the participants of the Plan, an average fulfilment of performance conditions of approximately 50 percent, and full vesting of retention rights, the cost for the Plan, excluding social security costs, is estimated to approximately SEK 2.1 million. The cost will be allocated over the years 2011 – 2014.

Social security costs will also be recorded as a personnel expense in the income statement by current reservations. The social security costs are estimated to around SEK 1.1 million with the assumptions above, and an average social security tax rate of 31.4 percent and an annual share price increase of 10 percent per underlying share during the vesting period.

The participant's maximum profit per right in the Plan is limited to SEK 150 per share, which corresponds to five times the share price in March 2011. If the value of the CDON share at vesting exceeds SEK 150, the number of shares each right entitles the employee to receive will be reduced accordingly. The maximum dilution is 0.29 percent of shares and votes and 0.10 percent in terms of costs for the Plan as defined in IFRS 2 divided by CDON's market capitalisation.

If the maximum profit of SEK 150 per right is reached, all invested shares remain in the Plan and a fulfilment of the performance conditions of 100 percent, the maximum cost of the Plan as defined in IFRS 2 is approximately SEK 3.9 million and the maximum social security cost is approximately SEK 8.1 million.

The costs and dilution are expected to have marginal effect on key ratios of the CDON Group.

Delivery of shares under the Plan

To ensure the delivery of shares under the Plan, the Board of Directors proposes that the General Meeting authorises the Board of Directors to resolve on a directed issue of Class C shares to Nordea Bank AB (publ) in accordance with item 18(c), and an authorisation for the Board of Directors to subsequently resolve to repurchase the Class C shares from Nordea Bank AB (publ) in accordance with item 18(d). The Class C shares will then be

held by the Company during the vesting period, whereafter the appropriate number of Class C shares will be reclassified into ordinary shares and subsequently be delivered to the participants under the Plan.

The rationale for the proposal

The objective of the Plan is to create conditions for recruiting and retaining competent employees in the Group. The Plan has been designed based on the view that it is desirable that senior executives and other key employees within the CDON Group are shareholders. Participation in the Plan requires a personal investment in CDON shares, be it shares already held or shares purchased on the market in connection with the Plan. Linking the employee's remuneration to the Company's result and value creation will promote continued loyalty to the Company and thereby long-term value creation. Against this background, the Board of Directors is of the opinion that the adoption of an incentive programme as set out above will have a positive effect on the CDON Group's future development and thus be beneficial for both the Company and its shareholders.

Preparation of the proposal

CDON's Remuneration Committee has prepared this Plan in consultation with external advisors and major shareholders. The Plan has been reviewed at meetings of the Board of Directors during the first months of 2011.

The above proposal is supported by major shareholders of the Company.

Amendment of the Articles of Association (Item 18(b))

The Board of Directors proposes that the Annual General Meeting resolves to amend Section 4 in the Articles of Association meaning the introduction of a new class of shares, Class C shares. Class C shares may be issued up to a maximum number of shares representing the total share capital of the Company and will not provide entitlement to any dividend payment. The Board of Directors may reclassify the Class C shares into ordinary shares. Customary provision regarding primary and subsidiary preferential rights in connection with a cash issue shall apply to the Class C shares. The Class C shares shall be redeemable and have limited right to assets in connection with the Company's liquidation, corresponding to the ratio value of the share adjusted for an interest factor of STIBOR 1M with the addition of 1 percentage point calculated from the day of payment of the subscription price.

The proposed amendments to the Articles of Association are set forth in **Appendix 2**. The proposed amendments are italicised.

The proposed wording of the Articles of Association is found in **Appendix 3**.

A valid resolution requires approval of shareholders representing at least two-thirds of both the shares and number of votes represented at the General Meeting.

Authorisation to resolve to issue Class C shares (Item 18(c))

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board, during the period until the next Annual General Meeting, to increase the

Company's share capital by not more than SEK 380,000 by the issue of not more than 190,000 Class C shares, each with a ratio value of SEK 2.00. With disapplication of the shareholders' preferential rights, Nordea Bank AB (publ) shall be entitled to subscribe for the new Class C shares at a subscription price corresponding to the ratio value of the shares. The purpose of the authorisation is to ensure delivery of shares to participants under the Plan.

A valid resolution requires approval of shareholders representing at least two-thirds of both the shares and number of votes represented at the General Meeting.

Authorisation to resolve to repurchase Class C shares (Item 18(d))

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board, during the period until the next Annual General Meeting, to repurchase its own Class C shares. The repurchase may only be effected through a public offer directed to all holders of Class C shares and shall comprise all outstanding Class C shares. The purchase may be effected at a purchase price corresponding to not less than SEK 2.00 and not more than SEK 2.10. Payment for the Class C shares shall be made in cash. The purpose of the repurchase is to ensure the delivery of shares under the Plan.

A motivated statement in connection with the Board of Director's proposal to repurchase the Company's own shares according to Chapter 19, Section 22 of the Companies Act is found in **Appendix 4**.

A valid resolution requires approval of shareholders representing at least two-thirds of both the shares and number of votes represented at the General Meeting.

Transfer of ordinary shares (Item 18(e))

The Board of Directors proposes that the Annual General Meeting resolves that Class C shares that the Company purchases by virtue of the authorisation to repurchase its own shares in accordance with item 18(d) above, following reclassification into Class B shares, may be transferred to participants in accordance with the terms of the Plan.

A valid resolution requires approval of shareholders representing at least nine-tenths of both the shares and number of votes represented at the General Meeting.

AMENDMENT OF THE ARTICLES OF ASSOCIATION (Item 19)

Due to amendments to the Swedish Companies Act the Board of Directors proposes that the Annual General Meeting resolves on additions and alterations of Section 6 and 7 of the Articles of Association.

The Board of Directors proposes an addition to Section 6 involving that the term of office of the auditor shall last until the end of the Annual General Meeting which is held during the fourth financial year after the election. The Board of Directors proposes that Section 6 shall have the following wording.

"The Company shall have no more than three auditors with up to three deputy auditors. The auditors term of office shall last until the end of the Annual General Meeting which is held during the fourth financial year after the auditor was elected."

Regarding Section 7 of the Articles of Association the Board of Directors proposes that the rules regarding time for convening the meeting shall be deleted and that the mode of convening the General Meeting is amended, involving that the notice of a General Meeting shall be published in the Official Swedish Gazette (Post- och Inrikes Tidningar) as well as on the Company's website. It shall also be announced in a Swedish newspaper that notice has been issued. The Board of Directors proposes Section 7 to have the following wording.

“A general meeting should be held in Malmö or in Stockholm.

Notice of a General Meeting of shareholders shall be published in the Official Swedish Gazette (Post- och Inrikes Tidningar) as well as on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.”

The proposed amendments to the Articles of Association are set forth in **Appendix 2**. The proposed amendments are italicised.

The proposed wording of the Articles of Association is found in **Appendix 3**.

A valid resolution requires approval of shareholders representing at least two-thirds of both the shares and number of votes represented at the Annual General Meeting.

The Nomination Committee's proposals to be presented at the Annual General Meeting of CDON Group AB (publ) on Monday 16 May 2011

The following proposals are numbered according to the proposed agenda.

NOMINATION COMMITTEE PROPOSALS (Items 2 and 13-16)

Election of Chairman of the Annual General Meeting (Item 2)

The Nomination Committee proposes that the lawyer Wilhelm Lüning is appointed to be the Chairman of the Annual General Meeting.

Determination of the number of directors of the Board and election of the directors of the Board and the Chairman of the Board (Item 13 and 15)

The Nomination Committee proposes that the Board of Directors shall consist of seven directors and no deputy directors. The Nomination Committee proposes, for the period until the close of the next Annual General Meeting, the re-election of Hans-Holger Albrecht, Mia Brunell Livfors, Mengmeng Du, Lars-Johan Jarnheimer, Lars Nilsson, Henrik Persson and Florian Seubert. Anders Nilsson has informed the Nomination Committee that he decline re-election at the Annual General Meeting. The Nomination Committee proposes that the Annual General Meeting shall re-elect Hans-Holger Albrecht as Chairman of the Board of Directors. Furthermore, it is proposed that the Board of Directors at the Constituent Board Meeting appoints an Audit Committee and a Remuneration Committee within the Board of Directors. The Nomination Committee's motivated opinion regarding proposal of the Board of Directors is available at the Company's website, www.cdongroup.com.

Election of auditor

It was noted that the accounting firm KPMG AB was appointed as auditor, with the Authorised Public Accountant George Pettersson as auditor in charge, at the Annual General Meeting in 2009 for a period of three years. The task of appointing an auditor is not scheduled to occur until 2012, and will therefore not occur at this 2011 Annual General Meeting.

Determination of the remuneration to the directors of the Board and the auditor (Item 14)

The Nomination Committee proposes that the Annual General Meeting resolves that the fixed remuneration for each director of the Board for the period until the close of the next Annual General Meeting shall be unchanged. The proposed Board remuneration shall amount to a total of SEK 2,800,000 of which SEK 600,000 shall be allocated to the Chairman of the Board, SEK 300,000 to each of the directors of the Board and SEK 400,000 as remuneration for the work in the committees of the Board of Directors. The Nomination Committee proposes that for work within the Audit Committee SEK 150,000 shall be allocated to the Chairman and SEK 75,000 to each of the other two members. For work within the Remuneration Committee SEK 50,000 shall be allocated to the Chairman and SEK 25,000 to each of the other two members. Furthermore, remuneration to the auditor shall be paid in accordance with approved invoices.

Approval of the procedure of the Nomination Committee (Item 16)

The Nomination Committee proposes that the Annual General Meeting approves the following procedure for preparation of the election of the Board of Directors and auditor. The work of preparing a proposal on the directors of the Board and auditor, in the case that an auditor should be elected, and their remuneration as well as the proposal on the Chairman of the Annual General Meeting of 2012 shall be performed by a Nomination Committee. The Nomination Committee will be formed during October 2011 in consultation with the largest shareholders of the Company as per 30 September 2011. The Nomination Committee will consist of at least three members representing the largest shareholders of the Company. The Nomination Committee is appointed for a term of office commencing at the time of the announcement of the third quarter report in 2011 and ending when a new Nomination Committee is formed. The majority of the members of the Committee may not be directors of the Board of Directors or employed by the Company. If a member of the Committee resigns before the work is concluded, a replacement member may be appointed after consultation with the largest shareholders of the Company. However, unless there are special circumstances, there shall not be changes in the composition of the Nomination Committee if there are only marginal changes in the number of votes, or if a change occurs less than three months prior to the Annual General Meeting. Cristina Stenbeck will be a member of the Committee and will also act as its convenor. The members of the Committee will appoint the Committee Chairman at their first meeting. The Nomination Committee shall have the right to upon request receive personnel resources such as secretarial services from the Company, and to charge the Company with costs for recruitment consultants if deemed necessary.

CV's of proposed directors of the Board of CDON Group AB

Hans-Holger Albrecht, Chairman of the Board

Born: 1963

Nationality: German citizen

Independence: Not independent in relation to the company and the company's management, not in relation to the company's major shareholders.*

*Hans-Holger is dependent in relation to the company and the company's management and major shareholders due to his appointment as CEO of Modern Times Group MTG AB (previous owner of CDON), a major supplier of marketing services to CDON and holder of a convertible in CDON as well as a company in which Investment AB Kinnevik holds more than 10 percent of the shares.

Ownership including related physical and legal persons: 11,400 shares

Committee work: Member of the Remuneration Committee

Hans-Holger has been Chairman of the Board of Directors of CDON Group since 2000. He has served as President and Chief Executive Officer of MTG since 2000, prior to which he served as Head of the Group's Pay-TV operations, as President of Viasat Broadcasting and as Chief Operating Officer of MTG. Hans-Holger is co-chairman of CTC Media, Inc., which is Russia's biggest independent TV broadcaster and in which MTG is the largest shareholder with a 38.5% equity interest, since 2003, a member of the Board of Directors since 2002. Hans-Holger has also been a member of the Board of Directors of Millicom International Cellular S.A. since 2010 and is a member of the Board of the International Emmy Association in New York. Hans-Holger graduated with a Doctorate in Law from the University of Bochum in Germany.

Mia Brunell Livfors, Non-Executive Director

Born: 1965

Nationality: Swedish citizen

Independence: Not independent in relation to the company and the company's management, not in relation to the company's major shareholders.*

*Mia is dependent in relation to the company and the company's management due to her appointment as a non-executive director of Modern Times Group MTG AB (previous owner of CDON), a major supplier of marketing services to CDON and holder of a convertible in CDON. As CEO of Investment AB Kinnevik, Mia Brunell Livfors represents a shareholder which owns more than 10 percent of CDON.

Ownership including related physical and legal persons: 5,505 shares

Committee work: Chairman of the Remuneration Committee

Mia has been a member of the Board of CDON Group since August 2010. She has served as President and Chief Executive Officer of Investment AB Kinnevik since 2006, prior to which Mia served as Chief Financial Officer of MTG between 2001 and 2006 and in various financial management positions between 1992 and 2001. Mia has been Chairman of the Board of Directors of Metro International S.A. since 2008, Non-Executive Director

since 2006, and is also a Non-Executive Director of Korsnäs AB, Tele2 AB and Transcom Worldwide S.A. since 2006, Millicom International Cellular S.A. and Modern Times Group MTG AB since 2007, and H & M Hennes & Mauritz AB since 2008. Mia studied Business Administration at Stockholm University.

Mengmeng Du, Non-Executive Director

Born: 1980

Nationality: Swedish citizen

Independence: Independent of the Company and management and independent of major shareholders.

Ownership including related physical and legal persons: 300 shares

Committee work: -

Mengmeng has been a member of the Board of CDON Group since September 2010. She has been Project Leader at Alumni, an executive search and leadership services consultancy since 2010. She was Vice President Product Development of Stardoll, the world's largest online fashion and games community for girls, from 2009, prior to which she was Project Manager and Director of Product Development at Stardoll. Before joining the company in 2008, Mengmeng was a management consultant with Bain & Company in Sweden from 2005. She holds a Master of Science in Economics and Business from Stockholm School of Economics and a Master of Science in Computer Science and Engineering from the Royal Institute of Technology in Stockholm.

Lars-Johan Jarnheimer, Non-Executive Director

Born: 1960

Nationality: Swedish citizen

Independence: Independent of the Company and management and independent of major shareholders.

Ownership including related physical and legal persons: 5,000 shares

Committee work: Member of the Remuneration Committee

Lars-Johan has been a member of the Board of CDON Group since August 2010. He is currently a member of the Board of Directors of INGKA Holding B.V. (the parent company of the IKEA Group of Companies), Apoteket AB, Egmont International Holding A/S, Baby Björn AB, Arvid Nordquist Handels AB and Chairman of the Non Governmental Organisation BRIS (Children's Rights in Society). Lars-Johan served as Chief Executive Officer of Tele2 AB from 1999 to 2008, and previously held various positions at IKEA, Hennes & Mauritz, SARA Hotels, SAAB Opel Sverige AB, ZTV and Comviq. Lars-Johan was a Non-Executive Director of Modern Times Group MTG AB 1997-2008 and of Millicom International Cellular S.A. 2001-2007. Lars-Johan graduated with a Master's degree in Economics from Växjö and Lund Universities in Sweden.

Lars Nilsson, Non-Executive Director

Born: 1956

Nationality: Swedish citizen

Independence: Independent of the Company and management but not independent of major shareholders*.

* Lars is CFO and vice CEO of Tele2 a company in which Investment AB Kinnevik holds more than 10 percent of the shares.

Ownership including related physical and legal persons: 7,000 shares

Committee work: Chairman of the Audit Committee.

Lars has been a member of the Board of CDON Group since September 2010. He has been Chief Financial Officer of Tele2 since 2007 and is, in addition Deputy CEO since 2010. Lars was previously Executive Vice President and Chief Financial Officer of Axfood AB, one of the largest food retailers in Scandinavia; CFO of Fritidsresegruppen; President and CEO of Aros Fondkommission, and CFO of ABB Financial Services. Lars holds a Master Degree in Economics from Linköping University in Sweden.

Henrik Persson, Non-Executive Director

Born: 1974

Nationality: Swedish citizen

Independence: Independent of the Company and management but not independent of major shareholders*.

* As head of new investments in Investment AB Kinnevik Henrik represents a shareholder which holds more than 10 percent of the shares in CDON.

Ownership including related physical and legal persons: -

Committee work: -

Henrik has been a member of the Board of CDON Group since August 2010. He has been Head of Investments at Investment AB Kinnevik since 2007 and was previously Kinnevik's Director of Corporate Communications between 2004 and 2007. Henrik has been a member of the Board of Directors of Black Earth Farming Ltd since 2006, of Kontakt East Holding AB since 2006, of Mellersta Sveriges Lantbruks AB since 2007 and of Relevant Traffic Europe AB since 2006. Henrik has studied Economics at Lund University.

Florian Seubert, Non-Executive Director

Born: 1973

Nationality: German citizen

Independence: Independent of the Company and management and independent of major shareholders.

Ownership including related physical and legal persons: -

Committee work: Member of the Audit Committee.

Florian has been a member of the Board of CDON Group since September 2010. He is co-founder of leading European online pet supplies retailer zooplus, and has been a Member

of the company's Management Board and Chief Financial Officer since 2000. Zooplus has been listed on the Frankfurt Stock Exchange since 2008. Florian is also the founder and a Director of various zooplus subsidiaries and affiliates around the world, and was previously an Associate with JPMorgan Securities. Florian holds a Master of Arts degree in Politics, Philosophy and Economics from the University of Oxford.

Appendix 1

Auditors' report in accordance with Chapter 8, § 54 of the Swedish Companies Act (2005:551)

To the annual meeting of the shareholders in CDON Group AB (publ.),
Corporate identity number 556035-6940

Introduction

We have audited whether the Board of Directors and the Chief Executive Officer of CDON Group AB (publ.) have complied with the guidelines for remuneration to Group Executive Management during the period 25 September 2010 – 31 December 2010 which were approved by the Extra Meeting of the Shareholders held on 24 September 2010. For the period 1 January 2010 – 24 September 2010 have internal guidelines been in force. The Board of Directors and the Chief Executive Officer are responsible for compliance with these guidelines. Based on our audit, our responsibility is to express an opinion to the annual meeting of the shareholders as to whether the guidelines have been complied with.

The focus and scope of our audit

We conducted our audit in accordance with standard RevR 8 Audit of Remuneration to Officers in Listed Companies issued by FAR SRS, (the institute for the accountancy profession in Sweden). In following this standard, we have planned and performed the audit to obtain reasonable assurance whether the guidelines have, in all material aspects, been complied with. Our audit has included a review of the organization for and the documentation supporting the remuneration to Group Executive Management as well as new decisions related to compliance with the guidelines. Our procedures have also included testing a sample of payments during the year to Group Executive Management. We believe that our audit procedures provide a reasonable basis for our opinion as set out below.

Opinion

In our opinion, the Board of Directors and the Chief Executive Officer of CDON Group AB (publ.) have during the period 25 September 2010 – 31 December 2010 complied with the guidelines for remuneration to Group Executive Management which were approved by the Extra Meeting of the Shareholders held on 24 September 2010.

Stockholm X April 2011

KPMG AB

George Pettersson
Authorized Public Accountant

The Board of Directors' proposed amendments to the Articles of Association

Current wording

§ 4

The share capital shall be not less than SEK 100,000,000 and not more than SEK 400,000,000.

The number of shares in the Company shall be not less than 50,000,000 and not more than 200,000,000.

Proposed wording

§ 4

The share capital shall be not less than SEK 100,000,000 and not more than SEK 400,000,000.

The number of shares in the Company shall be not less than 50,000,000 and not more than 200,000,000.

Shares may be issued in two classes, ordinary shares and Class C shares. Ordinary shares may be issued up to a maximum amount of 200,000,000 and Class C shares up to a maximum amount of 200,000,000.

Class C shares do not entitle to dividends. Upon the Company's liquidation, Class C shares carry an equivalent right to the Company's assets as the other classes of shares, however not to an amount exceeding up to the quota value of the share, annualised as per day of distribution with an interest rate of STIBOR 1M with an additional 1 percentage point calculated from the day of payment of the subscription price. STIBOR 1M is set on the first business day of each calendar month.

Should the Company resolve on an issue of new ordinary and Class C shares, against other payment than contribution in kind, each holder of ordinary and Class C shares has preferential rights to subscribe for new shares of the same class in proportion to the number of old shares held by such holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered for subscription to all shareholders in the Company (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of already shares held, or, to the extent that this is not possible, by lot.

Should the Company resolve on an issue of new shares solely of ordinary shares or Class C shares, against other payment than contribution in kind, all shareholders, irrespective of which class of shares

held, are entitled to preferential rights to subscribe for new shares in proportion to the number of shares previously held.

The stipulations regarding preferential rights shall apply mutatis mutandis for new issues of warrants and convertible debt, and shall not infringe on the possibility to resolve on an issue in which the preferential rights of shareholders are waived.

If the share capital is increased by a bonus issue, where new shares are issued, new shares shall be issued in relation to the number of shares of the same classes already held. In such cases, old shares of a specific class shall entitle to new shares of the same class. Following a requisite amendment in the Articles of Association, the aforementioned stipulation shall not infringe on the possibility to issue shares of a new class by a bonus issue.

Reduction of the share capital, however not below the minimum share capital, may on request of holders of Class C shares or as resolved by the Company's Board of Directors or General Meeting, be made by redemption of Class C shares. A request from a shareholder shall be made in writing to the Company's Board of Directors and the Board of Directors shall promptly act on the matter. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the Company's equity reserves, if the required funds are available.

The redemption payment per Class C share shall correspond to the quota value of the share annualised per day with an interest rate of STIBOR 1M with additional 1 percentage point calculated from the day of payment of the subscription price. STIBOR 1M shall be initially set on the day of payment of the subscription price.

Following notice of the redemption resolution, holders having requested redemption shall promptly receive payment for the share, or, if authorisation from the Swedish Companies Registration Office or a court is required, following notice that the final decision has been registered.

Class C shares held by the Company, may upon decision by the Board of Directors be reclassified into ordinary shares, provided that the Class C shares are held by the Company. Immediately thereafter, the Board of Directors shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for

registration. The reclassification is effected when it has been registered and the reclassification been noted in the Swedish Central Securities Depository.

§ 6

The Company shall have no more than three auditors with up to three deputy auditors.

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The Company shall have no more than three auditors with up to three deputy auditors. *The auditors term of office shall last until the end of the Annual General Meeting which is held during the fourth financial year after the auditor was elected.*

§ 7

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Notice of an annual general meeting and any extraordinary general meeting where any proposed amendment to the articles of association is to be addressed, shall be given no earlier than six and no later than four weeks prior to the meeting. Notice of any other extraordinary general meeting shall be given no earlier than six and no later than two weeks prior to the meeting.

The second paragraph is proposed to be removed.

Notice of a general meeting of shareholders shall be made by announcement in Post- och Inrikes Tidningar, Svenska Dagbladet, and in Metro in those places in Sweden where Metro at the time of the notice is issued.

Notice of a general meeting of shareholders shall be *published in the Official Swedish Gazette (Post- och Inrikes Tidningar) as well as on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.*

Articles of Association, CDON GROUP AB, Company Reg. No. 556035-6940

Adopted by the shareholders at the Annual General Meeting 16 May 2011

UNAUTHORIZED TRANSLATION

§ 1

The name of the Company is CDON Group AB. The Company is a public company (publ).

§ 2

The board of directors shall have its registered office in the municipality of Malmö.

§ 3

The primary purpose of the Company's business shall be to generate profit for its shareholders.

The object of the Company's business is mail order and retailing on the internet with film, music, games, books, ready-made clothing, food, health, beauty, toys, baby carriages and other childrens accessories, interior decorating, fashion, building supplies, tools, auto parts, and consumer electronics, to own shares and other participation rights and share certificates and other similar securities as a part of the business, to own and manage real estate as well as movables, and carry on other activities compatible therewith.

The Company shall have the right to guarantee or otherwise pledge security for obligations assumed by other companies within the group.

§ 4

The Company's share capital shall be not less than SEK 100,000,000 and not more than SEK 400,000,000.

The number of shares in the Company shall be not less than 50,000,000 and not more than 200,000,000.

Shares may be issued in two classes, ordinary shares and Class C shares. Ordinary shares may be issued up to a maximum amount of 200,000,000 and Class C shares up to a maximum amount of 200,000,000.

Class C shares do not entitle to dividends. Upon the Company's liquidation, Class C shares carry an equivalent right to the Company's assets as the other classes of shares, however not to an amount exceeding up to the quota value of the share, annualised as per day of distribution with an interest rate of STIBOR 1M with an additional 1 percentage point calculated from the day of payment of the subscription price. STIBOR 1M is set on the first business day of each calendar month.

Should the Company resolve on an issue of new ordinary and Class C shares, against other payment than contribution in kind, each holder of ordinary and Class C shares has preferential rights to subscribe for new shares of the same class in proportion to the number of old shares held by such holder (primary preferential rights). Shares not subscribed for with primary preferential rights shall be offered for subscription to all shareholders in the Company (subsidiary preferential rights). If the number of shares so offered is less than the number subscribed for with subsidiary preferential rights, the shares shall be distributed among the subscribers in proportion to the number of already shares held, or, to the extent that this is not possible, by lot.

Should the Company resolve on an issue of new shares solely of ordinary shares or Class C shares, against other payment than contribution in kind, all shareholders, irrespective of which class of shares held, are entitled to preferential rights to subscribe for new shares in proportion to the number of shares previously held.

The stipulations regarding preferential rights shall apply mutatis mutandis for new issues of warrants and convertible debt, and shall not infringe on the possibility to resolve on an issue in which the preferential rights of shareholders are waived.

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Reduction of the share capital, however not below the minimum share capital, may on request of holders of Class C shares or as resolved by the Company's Board of Directors or General Meeting, be made by redemption of Class C shares. A request from a shareholder shall be made in writing to the Company's Board of Directors and the Board of Directors shall promptly act on the matter. When a resolution on reduction has been passed, an amount corresponding to the reduction amount shall be transferred to the Company's equity reserves, if the required funds are available.

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Class C shares held by the Company, may upon decision by the Board of Directors be reclassified into ordinary shares, provided that the Class C shares are held by the Company. Immediately thereafter, the Board of Directors shall report the reclassification to the Swedish Companies Registration Office (Sw. Bolagsverket) for registration. The reclassification is effected when it has been registered and the reclassification been noted in the Swedish Central Securities Depository.

§ 5

The board shall consist of no less than three and no more than nine directors.

§ 6

The Company shall have no more than three auditors with up to three deputy auditors. The auditors term of office shall last until the end of the Annual General Meeting which is held during the fourth financial year after the auditor was elected.

§ 7

A general meeting should be held in Malmö or in Stockholm.

Notice of a general meeting of shareholders shall be published in the Official Swedish Gazette (Post- och Inrikes Tidningar) as well as on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

§ 8

A shareholder that wishes to participate at the general meeting shall, firstly, have been registered as shareholder in a transcript of the entire share register with respect to the situation five business days before the meeting, and secondly, register with the Company no later than 1 p.m. on the registration day set forth in the notice convening the meeting. Such registration day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve, New Year's Eve or any day earlier than five week days prior to the meeting.

A shareholder attending a general meeting may be accompanied by an assistant, however only where the shareholder has provided notification hereof in accordance with the foregoing paragraph.

§ 9

The shareholder or nominee who on the record date is registered in the share register and in a central securities depository register pursuant to Chapter 4 of the Financial Instruments Accounts Act (1998:1479) or any person who is registered in a central securities depository account pursuant to Chapter 4, Section 18 paragraph 6-8 of the mentioned Act, shall be deemed to be authorised to exercise the rights set out in Chapter 4, Section 39 of the Companies Act (2005:551).

§ 10

The Company's financial year shall be the calendar year.

Appendix 4

The Board of Directors' statement in accordance with Chapter 19, Section 22 of the Companies Act (2005:551)

The Board of Directors hereby presents the following statement in accordance with Chapter 19, Section 22 of the Companies Act.

The Board of Directors' reasons for the authorisation to repurchase the Company's own Class C shares being in accordance with the provisions of Chapter 17, Section 3, paragraph 2 and 3 of the Companies Act are as follows:

The Company's objects, scope and risks

The Company's objects and scope of business are set out in the articles of association and the submitted annual reports. The business run by the Company does not entail any risks in excess of those that exist or may be deemed to exist in the industry or those risks which are generally associated with operating a business.

The financial position of the Parent Company and the Group

The financial position of the Parent Company and the Group as per 31 December 2010 is stated in the annual report for 2010. The annual report also states which accounting principles are applied in the valuation of assets, allocations and liabilities.

The non-restricted equity in the Parent Company and the Group's retained profits as of 31 December 2010 amounted to SEK 216 million and SEK 214 million respectively.

As of 31 December 2010 the Group's equity/assets ratio amounted to 34 percent. The proposed authorisation to repurchase the Company's own Class C shares does not limit the Company's possibilities to complete ongoing, and further make value-creating, investments.

The Company's financial position does not give rise to any other conclusion than that the Company can continue its business and that the Company can be expected to fulfil its obligations on both a short and long-term basis.

Justification for dividend and repurchase

With reference to the above and to what has otherwise come to the knowledge of the Board of Directors, the Board of Directors is of the opinion that after a comprehensive review of the financial position of the Parent Company and of the Group it follows that the authorisation to repurchase the Company's own Class C shares to secure the delivery of the shares under the proposed incentive programme is justified according to the provisions of Chapter 17, Section 3, paragraph 2 and 3 of the Companies Act, i.e. with reference to the requirements that the objects of the business, its scope and risks place on the size of

the Parent Company's and Group's equity and the Parent Company's and the Group's consolidating requirements, liquidity and financing needs in general.

Malmö, April 2011

CDON Group AB (publ)

The Board of Directors