

Minutes from the Annual General Meeting of shareholders in CDON Group AB (publ), company reg. no. 556035-6940 on 16 May 2011 at 16.30 p.m. CET in Stockholm

This is a translation from the Swedish version.

Present: Shareholders and proxy holders, Appendix 1, stating the number of shares, class of shares and votes for each person entitled to vote.

The following persons were also present: Chairman of the Board Hans-Holger Albrecht, Directors of the Board Mia Brunell Livfors, Mengmeng Du, Lars-Johan Jarnheimer, Anders Nilsson, Lars Nilsson, Henrik Persson and Florian Seubert, the Chief Executive Officer Mikael Olander, the Chief Financial Officer Martin Edblad and the authorised public accountant George Pettersson.

In addition, those persons in Appendix 2 were noted as present.

§ 1

Opening of the Meeting (item 1 of the agenda)

The Chairman of the Board, Hans-Holger Albrecht, opened the Annual General Meeting and welcomed the shareholders.

§ 2

Election of Chairman of the Annual General Meeting (item 2 of the agenda)

It was resolved, in accordance with the Nomination Committee's proposal, to appoint the lawyer Wilhelm Lüning to conduct the Meeting in the capacity of Chairman. It was noted that the Chairman had appointed Hanna Hultman to keep the minutes at the Meeting.

It was resolved that persons noted in Appendix 2 were permitted to attend the Meeting.

§ 3

Preparation and approval of the voting list (item 3 of the agenda)

It was resolved to approve the procedure for the preparation of the voting list, as accounted for by the Chairman, and the list of shareholders and proxy holders present, Appendix 1, was approved as the voting list for the Meeting.

§ 4

Approval of the agenda (item 4 of the agenda)

It was resolved to approve the agenda for the meeting, which had been distributed to the participants of the Meeting and which previously had been included in the notice to the Meeting.

§ 5

Election of one or two persons to check and verify the minutes (item 5 of the agenda)

It was resolved to elect Johan Ståhl representing Lannebo Fonder and Johan Strandberg representing SEB Fonder as minute checkers to, jointly with the Chairman of the Meeting, check and verify the minutes.

§ 6

Determination of whether the Annual General Meeting has been duly convened (item 6 of the agenda)

It was established that the notice of the Meeting had been given within the period stated in the Articles of Association by way of announcement in Post- och Inrikes Tidningar, Svenska Dagbladet and Metro on 18 April 2011.

It was resolved to approve the notice procedure and declare the Meeting duly convened.

§ 7

Statement by the Chairman of the Board on the work of the Board of Directors (item 7 on the agenda).

The Chairman of the Board Hans-Holger Albrecht reported on the work of the Board of Directors and the Committees of the Board.

§ 8

Presentation by the Chief Executive Officer (item 8 of the agenda)

Chief Executive Officer Mikael Olander reported on the Company's business and development during the past financial year.

Questions from shareholders concerned amongst other CDON as trademark, the e-commerce market, the Group's profit margins and expansion outside the Nordic region and were answered by Hans-Holger Albrecht and Mikael Olander.

§ 9

Presentation of the Annual Report and Auditor's Report and of the Group Annual Report and the Group Auditor's Report (item 9 of the agenda)

The Board of Directors' and Chief Executive Officer's Annual Report of the parent Company and Group Annual Report, with the incorporated income statements and balance sheets in respect of the financial year 2010 were presented.

The authorised public accountant George Pettersson from KPMG AB reported on the audit work and thereafter presented the Auditor's Report in respect of the parent company and the Group.

§ 10

Resolution on the adoption of the Profit and Loss Statement and the Balance Sheet and of the Group Profit and Loss Statement and the Group Balance Sheet (item 10 of the agenda)

It was resolved to adopt the income statements and balance sheets for the parent Company and the Group in respect of the financial year 2010, presented under § 9 above.

§ 11

Resolution on the proposed treatment of the Company's unappropriated earnings or accumulated loss as stated in the adopted Balance Sheet (item 11 of the agenda)

The Chairman presented the Board of Directors' and the Chief Executive Officer's proposal regarding distribution of profits.

It was resolved, in accordance with the proposal made by the Board of Directors and the Chief Executive Officer 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.

§ 12

Resolution on the discharge of liability of the Directors of the Board and the managing director (item 12 of the agenda)

It was noted that the Company's Auditors recommended that the meeting should discharge the Directors of the Board and the Chief Executive Officer from liability for the management of the Company and its affairs during the financial year 2010.

It was resolved to discharge the Directors of the Board and the Chief Executive Officer from liability for the management of the Company and its affairs during the financial year 2010.

It was noted that neither members of the Board who represented shares held by themselves or others, nor the Chief Executive Officer participated in this resolution.

It was noted that all shareholders that were represented approved the resolution.

§ 13

Determination of the number of Directors of the Board (item 13 of the agenda)

The Chairman of the Nomination Committee, Cristina Stenbeck, presented the proposals regarding the number of Directors of the Board, election of the Directors of the Board and the Chairman of the Board and remuneration to the Directors of the Board and the auditor.

It was resolved that, for the period until the close of the next Annual General Meeting, the Board of Directors shall consist of seven Directors, without deputies.

§ 14

Determination of the remuneration to the Directors of the Board and the auditor (item 14 of the agenda)

It was resolved, in accordance with the Nomination Committee's proposal, 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 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. It was resolved 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, it was resolved that remuneration to the auditor shall be paid in accordance with approved invoices.

Jonas Jonsson representing the shareholders specified in Appendix 3, representing in total 22,506 shares and votes, voted against the decision.

§ 15

Election of the Directors of the Board and the Chairman of the Board (item 15 of the agenda)

It was noted that Anders Nilsson had declined re-election.

The Chairman informed the meeting on which positions the proposed members of the Board of Directors hold in other companies.

It was resolved, in accordance with the Nomination Committee's proposal, to re-elect Hans-Holger Albrecht, Mia Brunell Livfors, Mengmeng Du, Lars-Johan Jarnheimer, Lars Nilsson, Henrik Persson and Florian Seubert as Directors of the Board for the period until the end of the next Annual General Meeting. Hans-Holger was re-elected as Chairman of the Board.

Jonas Jonsson and Emma Forsman representing the shareholders specified in Appendix 3, representing in total 40,211 shares and votes, voted against the decision.

It was noted that the accounting firm KPMG AB was elected 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. Hence there was no election of Auditor at the Meeting.

§ 16

Approval of the procedure of the Nomination Committee (item 16 of the agenda)

It was resolved, in accordance with Nomination Committee's proposal, to approve 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.

Jonas Jonsson representing the shareholders specified in Appendix 3, representing in total 10,625 shares and votes, voted against the decision.

§ 17

Resolution regarding Guidelines for remuneration to the senior executives (item 17 of the agenda)

The Board of Directors' proposal on guidelines for remuneration to the senior executives was presented, Appendix 4, together with the auditor's statement regarding the guidelines.

Mia Brunell Livfors, acting in her capacity as Chairman of the Remuneration Committee, answered questions from the shareholders regarding the increase of the maximum variable remuneration

It was noted that Åsa Wesshagen representing Sveriges Aktiesparares Riksförbund considered the Board of Directors' proposal regarding maximum variable cash based remuneration to be too high.

It was resolved to adopt the guidelines on remuneration for the senior executives in accordance with the proposal from the Board of Directors.

Shareholders specified in Appendix 3, represented by Jonas Jonsson, representing in total 1,065 shares and votes, abstained from voting.

§ 18

Resolution regarding incentive programme (item 18 of the agenda)

The Chairman presented the main contents of the Board of Director's proposal regarding the incentive programme comprising the resolutions on adoption of the incentive programme, amendment of the Articles of Association, authorisation to resolve to issue and repurchase Class C shares and transfer of ordinary shares, Appendix 5.

It was noted that already issued shares shall be ordinary shares.

It was noted that Åsa Wesshagen representing Sveriges Aktiesparares Riksförbund thought that it was good that the proposed incentive programme was equity based, however she thought that the allotment of share right is much too generous.

It was thereafter resolved by the required majority, exceeding nine-tenth of the shares and the numbers of votes represented at the meeting, in accordance with the proposal from the Board of Directors.

It was noted that the incentive programme had been adopted in its entirety.

It was noted that the resolutions in this item 18 in accordance with the above also shall include an authorisation for the Chief Executive Officer to make any adjustments necessary for registration of the resolution with the Swedish Company Registration Office and Euroclear Sweden AB.

Shareholders specified in Appendix 3, represented by Joel Wickman, representing in total 439 shares and votes, abstained from voting regarding item 18(c).

It was noted that all other shareholders that were represented approved the resolutions.

§ 19

Resolution on amendment of the Articles of Association (item 19 of the agenda)

The Chairman presented the main contents of the Board of Director's proposal to amend the Articles of Association, Appendix 6.

It was noted that Leo Gillholm stated that he thought that the Company should continue to announce General Meetings, and the executive management were positive to this suggestion.

It was resolved by the required majority, exceeding two-thirds of the shares and the number of votes represented at the meeting, in accordance with the proposal from the Board of Directors, to amend Sections 6 and 7 in the Articles of Association, Appendix 7.

It was noted that all other shareholders that were represented approved the resolutions.

§ 20

Closing of the Meeting (item 20 on the agenda).

Hans-Holger Albrecht expressed his thanks to the resigning Director of the Board Anders Nilsson.

Since there were no other issues, the Chairman closed the meeting.

At the minutes:

Hanna Hultman

Minute checkers:

Wilhelm Lüning

Johan Ståhl

Johan Strandberg

CDON Group AB (publ)

- List of votes against the proposals and votes by abstention

Voting against the proposal	Abstains from voting
Item 14 - Determination of the remuneration to the Directors of the Board and the auditor	
Ulf Forsgren, proxy holder	
Shareholder:	Shares:
California State Teachers Retirement System	329
<u>California State Teachers Retirement System</u>	<u>22,177</u>
Total number of shares and votes:	22,506
Item 15 - Election of the Directors of the Board and the Chairman of the Board	
Ulf Forsgren, proxy holder	
Shareholder:	Shares:
Aviva Life and Pensions UK Limited	1,050
California State Teachers Retirement System	329
California State Teachers Retirement System	22,177
Teachers Retirement System of the State of Illinois	9,085
<u>Teachers Retirement System of the State of Illinois</u>	<u>1,540</u>
Total number of shares and votes:	34,181
Emma Forsman, proxy holder	
Shareholder:	Shares:
OPSEU PENSION PLAN TRUST FUND	6,030
Total number of shares and votes:	6,030
Item 16 - Approval of the procedure of the Nomination Committee	
Ulf Forsgren, proxy holder	
Shareholder:	Shares:
Teachers Retirement System of the State of Illinois	9,085
<u>Teachers Retirement System of the State of Illinois</u>	<u>1,540</u>
Total number of shares and votes:	10,625
Item 17 - Resolution regarding Guidelines for remuneration to the senior executives	
Ulf Forsgren, proxy holder	
Shareholder:	Shares:
<u>Aviva Life and Pensions UK Limited</u>	<u>1,050</u>
Total number of shares and votes:	1,050
Item 18(c) – Resolution regarding authorisation for the Board of Directors to resolve to issue Class C shares	
Joel Wickman, proxy holder	
Shareholder:	Shares:
Wilmington International Equity Fund Select LP	248
<u>Wilmington Multi-Manager International Fund</u>	<u>191</u>
Total number of shares and votes:	439

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.

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:

- Series A* CDON's total shareholder return on the share (TSR) during the Measurement Period exceeding 0 percent as entry level.
- Series B* 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.
- Series C* 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.

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.

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 Board of Directors' proposed amendments to the Articles of Association

§ 6

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

§ 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

§ 7

A general meeting should be held in Malmö or in Stockholm

Notice of an annual general meeting and any extraordinary general meeting where any proposed

The second paragraph is proposed to be removed.

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.

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.

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.

§ 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.
