

Monitoring and evaluation of (i) the programmes for variable remuneration to the executive management, (ii) the application of guidelines on remuneration for the senior executives and (iii) the current remuneration structure and levels of remuneration in the company in accordance with rule 10 paragraph 3 and rule 9 paragraph 1 in the Swedish Code of Corporate Governance.

Introduction

The Remuneration Committee of the Board of Directors of CDON Group AB (publ) (“CDON”), comprises the Chairman of the Board Hans-Holger Albrecht and the non-executive directors Lars-Johan Jarnheimer and Mia Brunell Livfors. Mia Brunell Livfors is Chairman of the Remuneration Committee. In accordance with the Swedish Code of Corporate Governance, the Remuneration Committee has monitored and evaluated programmes for variable remuneration (both ongoing and those that have ended during the year), the application of the guidelines for remuneration to the senior executives adopted at the Extraordinary General Meeting in September 2010 as well as the current remuneration structure and levels of remuneration in the company. The following is the Board’s report of the results of the evaluation.

General

The remuneration to CDON’s executive management consist of a fixed salary, variable salary, as well as the possibility to participate in long-term incentive programmes, pension schemes and other customary benefits. These components shall create a well balanced remuneration reflecting the individual performance and responsibility, both short-term and long-term, as well as CDON’s overall performance.

Variable remuneration

Variable salary paid in cash will generally not exceed 50 percent of the fixed annual salary. The variable remuneration shall be based on the performance of the executives in relation to established goals and targets. Further information on the variable remuneration paid in cash is found in the Annual Report 2010, note 23, Salaries, other remuneration, and social security costs.

CDON previously had a programme for equity related payment, but this was terminated in conjunction with the CDON’s stock-exchange listing. At programme conclusion, the previous provisions for social security expenses attributable to the programme were reversed. Further information on the long-term equity related payment is found in the Annual Report 2010, note 23, Salaries, other remuneration, and social security costs.

Evaluation of programmes for variable remuneration

The development of the programmes for variable remuneration is evaluated by the Remuneration Committee on a continuous basis throughout the year and the programmes’ expected outcome are reported to the Board of Directors and discussed at Board meetings. The evaluation of the programmes for variable remuneration has shown that the programmes are well in line with the shareholders’ interests and that the programmes are considered to help attract, motivate and retain the competence needed in the executive management.

The evaluation has resulted in that the Board of Directors has proposed that the Annual General Meeting in May 2011 resolves to adopt a long-term incentive programme which is equity based,

require an own investment in CDON's shares by the participants and the outcome is based on the participants and the Company's performance.

Evaluation of the guidelines for remuneration

The evaluation has resulted in the conclusion that the guidelines for remuneration to senior executives that the Extraordinary General Meeting in September 2010 established have been applied on such variable remunerations in the Company, both ongoing and those that have ended during the year.

The external auditor have given a statement to the Board of Directors on that CDON has complied with the guidelines on salary and other remuneration to the senior executives adopted by the Extraordinary General Meeting 2010.

The Board of Director's view is that the remuneration for the CEO and the other members in the executive management strikes an appropriate balance between motivating the members of the executive management and achieving a well balanced and competitive compensation. However, to promote continued loyalty with CDON and to contribute to the long-term value growth of CDON the Board suggest that the executive management's remuneration shall be tied to the development of CDON's result and value, and therefore propose that the Annual General Meeting 2011 resolves to adopt a long-term equity based incentive programme.

Malmö in April 2011
CDON Group AB (publ)
The Board of Directors