



THE SHAREHOLDERS OF CDON GROUP AB (publ) are hereby invited to the Annual General Meeting on Monday 16 May 2011 at 4:30 p.m. CET at the Hotel Rival, Mariatorget 3 in Stockholm.

NOTIFICATION

Shareholders who wish to participate at the Annual General Meeting shall:

- have their names entered in the register of shareholders maintained by Euroclear Sweden AB on Tuesday 10 May 2011, and
- notify the Company of their intention to participate by no later than 1:00 p.m. CET on Tuesday 10 May 2011. The notification can be made on the Company's website, www.cdongroup.com, by telephone +46 (0)771-246 400 or in writing to the Company at:

CDON Group AB
c/o Computershare AB
P.O. Box 610
SE-182 16 Danderyd, Sweden

When giving notice of participation, the shareholders should state their name, personal identification number (or company registration number), address, telephone number, shareholdings and any advisors attending. If participation is by way of proxy, such document should be submitted in connection with the notice of participation of the Annual General Meeting. If the proxy is issued by a legal entity, a certified copy of the registration certificate or an equivalent certificate of authority, shall be attached to the proxy. Written notifications made by post should be marked "AGM".

Proxy forms are available at the Company's website www.cdongroup.com. For ordering the proxy forms the same address and telephone number can be used as for the notification, see above. Distance participation and voting is not available.

Shareholders whose shares are registered in the names of nominees must temporarily re-register the shares in their own name in order to be entitled to participate at the Annual General Meeting. Shareholders wishing to re-register must inform the nominee well in advance of Tuesday 10 May 2011.

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.

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 Luning 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.

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.

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 plan 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))

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.

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

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.

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 up to:

- The CEO can acquire up to 9,000 invested shares within the Plan, each invested share entitling to allotment of 8 rights;
- 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 7 rights;
- category 1 (2 individuals) can each acquire up to 1,800 invested shares within the Plan, each invested share entitling to allotment of 5 rights; 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 5 rights.

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.

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 terms and guidelines resolved by the Annual General Meeting. To this end, the Board of Directors shall be entitled to make adjustments to meet foreign regulations or market conditions.

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.

To ensure the delivery of shares under the Plan, the Board of Directors proposes that the General Meeting authorises the Board 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 above proposal is supported by major shareholders.

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.

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.

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.

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.

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.”

SHARES AND VOTES

There are a total number of 66,342,124 shares in the Company, corresponding to a total of 66,342,124 votes.

OTHER INFORMATION

Valid resolutions under items 18(b) – 18(d) and 19 above require approval of shareholders representing at least two-thirds of the shares and number of votes represented at the Annual General Meeting. Valid resolutions under items 18(a) and 18(e) above requires approval of shareholders representing at least nine-tenth of the shares and number of votes represented at the Annual General Meeting. Items 18(a) – 18(e) are conditional upon each other. From Thursday 21 April 2011 at the latest, the accounting documents, the auditor's report, the auditor's statement pursuant to Chapter 8 Section 54 of the Swedish Companies Act, the statement of the Board of Directors and the complete text of the proposals of the Board of Directors will be made available at the Company's website at www.cdongroup.com and at the Company's premises at Bergsgatan 20 in Malmö. Shareholders who wish to receive these documents may notify the Company, whereupon the documents will be sent by post or by e-mail.

The Board of Directors and the CEO shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group and the consolidated accounts.

The Annual General Meeting will mainly be held in Swedish. As a service to the shareholders, simultaneous interpretation from Swedish to English as well as from English to Swedish will be provided.

Schedule for the Meeting

3:30 p.m. The doors open for shareholders.

4:30 p.m. The Annual General Meeting commences.

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