

Item 18 – The Board of Directors for TradeDoubler AB proposal for Performance Related Share Programme 2014

Background and reasons for the proposal

The Board of Directors find it essential and in all shareholders interest that key employees in the group have a long-term interest of a good value development of the share in the company and proposes the Annual General Meeting in view of this the below presented Performance Related Share Programme 2014 for key employees.

The purpose of Performance Related Share Programme 2014 is, as earlier, to increase the group's attractiveness as an employer and stimulate the key employees to continued loyalty and continued good performances.

The Board of Directors proposes that the Performance Related Share Programme 2014 is modified in relation to the Performance Related Share Programme 2013 in order to increase the interest for the programme in the target group. In view of this it is proposed that the allocation of the number of shares that at maximum can be received by the participant in the programme is differentiated depending on whether an own investment is made or not. It is the intention of the Board of Directors to propose the Annual General Meeting a long-term incentive programme also for 2015 in accordance with the proposed principles.

Item 18 a) – Performance Related Share Programme 2014

The Board of Directors proposes that the Annual General Meeting resolves on the implementation of a long-term Performance Related Share Program 2014 that covers maximum 645,300 shares (and further including a maximum of 193,600 shares as hedge for social security fees), according to the principle guidelines below.

Up to 17 key employees including the Managing Director will be offered participation in Performance Related Share Programme 2014.

The key employees that are offered to participate in Performance Related Share Programme 2014 may choose to invest in TradeDoubler shares ("Savings Shares") corresponding to a value of up to ten per cent, which is required for maximum participation in Performance Related Share Programme 2014, of the participant's base salary (fixed salary) before tax for year 2014 divided by the average volume-weighted share price on NASDAQ OMX Stockholm for the TradeDoubler share during a period of ten trading days immediately following the Annual General Meeting 2014. If Savings Shares are retained by the employee during a three-year period and employment within the TradeDoubler group continues during the entire period, the employee has right to, provided the below stated performance requirements related to earnings per share are achieved, allotment of shares free of consideration ("**Performance Shares**"), according to the following:

- The Managing Director has right to allotment of up to eight (reduced proportionally if maximum investment in Savings Shares has not been made) Performance Shares for each Savings Share.
- Approximately four key employees have right to allotment of up to six (reduced proportionally if maximum investment in Savings Shares has not been made) Performance Shares for each Savings Share.
- Approximately 12 key employees have right to up to four (reduced proportionally if maximum investment in Savings Shares has not been made) Performance Shares for each Savings Share.

If participant disposes of Savings Shares during the three-year period, the possibility to receive Performance Shares will reduce proportionally.

A key employee who chooses not to make an investment in Savings Shares, has, provided employment within the TradeDoubler group continues during the entire three-year period and the below stated performance requirements related to earnings per share are achieved, right to 50 percent of the number of Performance Shares he/she would have been received if investment in Savings Shares had been made according to the above.

Allotment of Performance Shares is based on average annual percentage growth rate in Earnings per Share ("EPS") during the financial years 2014 to 2016 compared with the financial year 2013. Allotment of Performance Shares will take place between an average annual EPS growth of 20 and 40 per cent. No allotment of Performance Shares will take place if the annual EPS growth is less than 20 per cent. At 20 per cent average annual EPS growth, 20 per cent of the maximum allotment will be allocated. Maximum number of Performance Shares will be allocated if the average annual EPS growth is at or above 40 per cent. Allotment of Performance Shares at an average annual EPS growth between 20 and 40 per cent is linear.

The value that a participant can receive at allotment of Performance Shares in the programme is maximized at an amount per share that corresponds to 400 per cent of the average volume-weighted share price on NASDAQ OMX Stockholm for the TradeDoubler share during a period of ten trading days immediately following the Annual General Meeting 2014.

Before the number of Performance Shares to be allotted are finally determined, the Board of Directors shall examine whether the allotment is reasonable considering the company's financial results and position, shareholder value development, conditions on the stock market and other circumstances, and if not, as determined by the Board of Directors, reduce the number of Performance Shares to be allotted to the lower number of shares deemed appropriate by the Board of Directors.

Participants shall for allocated Performance Shares receive compensation equal to the cash dividend paid out during the three-year period.

The number of shares included in the proposal may be re-calculated by the Board of Directors due to changes in the capital structure, such as bonus issue, consolidation or split of shares, new issue or reduction of the share capital or similar measures.

In the event of a change of control in TradeDoubler during a participant's employment with TradeDoubler or one of its subsidiaries, the Board of Directors, or a committee established by the Board of Directors for this purpose, may at its discretion decide whether the Performance Shares granted under the Performance Related Share Programme 2014 will be retained by the participant, forfeited by the participant without any compensation to the participant, replaced with a new award in the acquiring company or otherwise decide the effects of the Performance Shares following a change of control as the Board of Directors, or a committee, deem appropriate.

The Board of Directors, or a committee established by the Board of Directors for this purpose, will be responsible for the detailed drafting and management of Performance Related Share Programme 2014, within the scope of the principal conditions and guidelines as specified. The Board of Directors shall thereupon be entitled to make necessary adjustments to meet specific rules or market conditions abroad.

Participation in Performance Related Share Programme 2014 presupposes that such participation is legally possible as well as possible with reasonable administrative cost and financial efforts according to the assessment of the company. The Board of Directors shall however be entitled to implement an alternative incentive solution for employees in such countries where participation in Performance Related Share Programme 2014 is not advisable. Such alternative incentive solution shall, as far as practicably possible, correspond to the terms for Performance Related Share Programme 2014.

Costs

The total effect on the profit and loss account is estimated to approximately SEK 15.1 million distributed over the years 2014 – 2017. The costs shall be compared with TradeDoubler's total remuneration costs 2013, including social security fees, amounting to SEK 263.5 million.

The calculations are based on assumptions that maximum investment in Savings Shares is made by all participants and that all available shares in the Performance Related Share Programme 2014 will be utilized.

Costs that affect the profit and loss account, but will not have an effect on the cash flow

Compensation costs, corresponding to the value of Performance Shares transferred to employees is estimated to approximately SEK 11.6 million. The compensation costs are distributed over the plan period 2014 – 2017.

Social security charges as a result of transfer of shares to employees on an assumed average share price at allotment at SEK 18 are estimated to amount to approximately SEK 3.5 million. The social security costs are expected to occur mainly during 2017.

Costs that affect the profit and loss account and cash flow

Administration costs have been estimated at a maximum of SEK 1 million.

Dilution and effects on key figures

The company has approximately 42.8 million issued shares.

As per 31 December 2013, the company held 475,000 own shares to be used for Performance Related Share Programme 2013, corresponding approximately 1.1 per cent of the total number of issued shares and votes in the company. The Board of Directors proposes that 215,000 of these shares instead shall be used for Performance Related Share Programme 2014 and be transferred according to item 18 c) below.

In order to implement Performance Related Share Programme 2014 an additional total of 623,900 shares are required, corresponding to a maximum of approximately 1.5 per cent of the number of issued shares and votes in the company.

Preparation of the matter

Performance Related Share Programme 2014 has been prepared by the remuneration committee and has been adopted by the Board of Directors. The Managing Director has not participated in the preparation and resolution on the proposal.

Outstanding share-related incentive programmes

The company's current share related incentive programmes are described in the company's 2013 Annual Account in footnote K6.

Estimates

All estimates are based on an assumed share price at SEK 18 per share.

Majority requirements

A valid resolution by the Annual General Meeting in respect of the proposal under this item requires that the resolution be supported by shareholders with more than half of the votes cast or, in the event of a tied vote, through the chairman exercising his casting vote.

Item 18 b) and 18 c) – Acquisition of own shares and transfer of own shares

Background

The Board of Directors has evaluated different methods for securing the undertakings under ~~the~~ Performance Related Share Programme 2014, and considers that repurchased shares provide the most cost-efficient and flexible hedge for the programme.

The Board of Directors still consider that is to the company's benefit to use repurchased shares for the company's share-related incentive programme. If the Annual General Meeting approves Performance Related Share Programme 2014, the programme may lead to the delivery of Performance Shares. To be able to meet the future delivery undertakings and hedge costs related to this, the Board of Directors has resolved to propose that the Annual General Meeting resolves to acquire and transfer own shares. If the proposal to transfer repurchased shares to programme participants would not be approved by the Annual General Meeting, the Board of Directors will consider other means to meet the delivery undertakings under the programme.

The company has earlier repurchased 475,000 own shares. In order to fulfil undertakings during Performance Related Share Programme 2014 (including social security fees) it is proposed that 215,000 of these 475,000 shares are being used. In addition to that, a maximum of 623,900 additional shares are required. Thus in total 838,900 shares are required, corresponding to approximately 2.0 per cent of the total number of issued shares.

In order to secure delivery under Performance Related Share Programme 2014, the Board of Directors proposes under item 18 c), that no more than 645,300 shares may be transferred to employees within the TradeDoubler group, and in addition no more than 193,600 shares may be transferred at the NASDAQ OMX Stockholm in order to cover *inter alia* social security fees in Performance Related Share Programme 2014.

In view of this and in order to secure delivery of shares to participants in Performance Related Share Programme 2014 and by that means secure costs related to this the Board of Directors proposes the following.

Item 18 b) – Acquisition of own shares due to Performance Related Share Programme 2014

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors, for the period until Annual General Meeting 2015, at one or several occasions, to resolve on acquisitions of own shares as follows.

- i) Acquisitions may be made of no more than 623,900 shares.
- ii) The shares may only be acquired on NASDAQ OMX Stockholm and in accordance with the rules regarding purchase and sale of the Company's own shares as set out in NASDAQ OMX Stockholm's Rulebook for issuers.
- iii) Acquisitions of shares may only be made at a price within the officially quoted price range on each occasion, which means the range between the highest buying price and the lowest selling price.
- iv) Payment for the shares shall be made in cash.

The acquisition cost for repurchase of own shares are estimated to maximum SEK 11.2 million at an assumed share price of SEK 18.

Item 18 c) – Transfer of own shares due to Performance Related Share Programme 2014

In order to fulfil obligations under Performance Related Share Programme 2014 it is proposed that the Annual General Meeting resolves on transfer of shares acquired according to item 18 b) above, *i.e.* in total no more than 623,900 shares and those 215,000 own shares already held by the company, *i.e.* in total 838,900 shares, according to the following:

- i) No more than 645 300 shares may be transferred to participants in under item 18 a) accounted for Performance Related Share Programme 2014. Transfer may either be made free of consideration directly to participant or through transfer to a subsidiary within the TradeDoubler group, in which such subsidiary shall be obligated to immediately free of consideration transfer shares to participant.
- ii) The company shall be entitled to, before the Annual General Meeting 2015, on NASDAQ OMX Stockholm, in accordance with the rules regarding purchase and sale of the Company's own shares as set out in NASDAQ OMX Stockholm's Rulebook for issuers, at a price within the officially quoted price range on each occasion, which means the range between the highest buying price and the lowest selling price, at one or several occasions, transfer no more than 193,600 shares in order to cover certain expenses, mainly social security fees that may arise due to Performance Related Share Programme 2014.

The 838,900 shares required for Performance Related Share Programme 2014 correspond to a dilutive effect of approximately 2.0 per cent.

The reason for the deviation from the shareholders' pre-emptive rights and basis for the calculation of the transfer price according to item 18 c) is to enable TradeDoubler to transfer shares to participants in Performance Related Share Programme 2014 in accordance with the terms and conditions adopted for the programme.

Majority requirement

A valid resolution by the Annual General Meeting in respect of the proposal under item 18 b) requires that the resolution be supported by shareholders with at least two-thirds of the votes cast as well as represented at the Annual General Meeting. A valid resolution by the Annual General Meeting in respect of the proposal under item 18 c) requires that the resolution be supported by shareholders with at least nine-tenths of the votes cast as well as represented at the Annual General Meeting.

Stockholm, in March 2014
TradeDoubler AB (publ)
The Board of Directors