

Corporate Governance Report

TradeDoubler AB (publ) is a Swedish public company with its registered office in Stockholm. Control of the Group is based on the Articles of Association, the Swedish Companies Act, the rules of the Stockholm Stock Exchange including the Swedish Code of Corporate Governance, as well as other appropriate legislation and regulations. The Swedish Code of Corporate Governance aims to create a strong base for active and responsible ownership and is intended as a step towards self-regulation in Swedish business. It builds on a 'follow or explain' principle, which means that it is not a violation of the Code to deviate from one or more rules where there is cause and where an explanation is provided.

TradeDoubler follows the Swedish Code of Corporate Governance with the following deviations:
- Not all members of the Benefits Committee are independent in relation to the Group and corporate management. Deviations from the Code are explained in more detail below.

Shareholders

TradeDoubler had 4,545 shareholders. The largest owner was AVI EHF with 9.55% of total outstanding shares. The second-largest shareholder was Alecta Pensionsförvaltning with 6.83% of total outstanding shares. Ownership by foreign shareholders totalled 49.1% of the number of outstanding shares.

Share capital and voting entitlements

TradeDoubler's share capital at the end of the year totalled SEK 11,181,934.80 distributed between 27,954,837 shares. All shares have equal rights to share in the assets and profit of the Group.

Annual General Meeting

Shareholders exercise their right to participate in decisions relating to TradeDoubler business at the AGM. Shareholders who are registered in the share register on record day and have notified their participation in time are entitled to participate and vote at the AGM, in person or by proxy. Resolutions at the AGM are normally made by simple majority. In certain matters however, the Swedish Companies Act prescribes that a proposal is to be passed by a higher proportion of the votes represented and cast at the AGM. Individual shareholders who wish to bring up a matter at the AGM can submit a request to the TradeDoubler Board at the special address published on the company's website prior to the period for notice of meeting.

The AGM is to be held in Stockholm within six months of the end of the financial year. Matters resolved at the AGM include the dividend, adoption of the income statement and balance sheet, discharge from liability for directors and the CEO, election of directors, Chairman of the Board and, where required, accountants, as well as remuneration for the Board and accountants. The 2006 AGM was held on 30 May. A total of 19 shareholders representing 10,449,017 shares were present, with their 10,449,017 votes being 38.23% of the total voting entitlement. The 2007 AGM will be held on 24 May in Stockholm.

Board of Directors

As prescribed by the Annual Accounts Act, the Board of Directors has ultimate responsibility for the organisation and its management. TradeDoubler's Articles of Association specify that the Board of Directors be elected at the Company's AGM for the period until closure of the next AGM. The Board of Directors is generally authorised to make decisions and act in all matters that are not, through legislation or the Articles of Association, assigned to other executive and shareholder functions of the Company. The Board of Directors has adopted a formal work plan which defines its duties and procedures. The formal work plan is reviewed annually. The main tasks of the Board of Directors are:

- To determine objectives, key action plans and strategic plans for TradeDoubler's business and to monitor their implementation.
- To ensure that TradeDoubler has an appropriate organisation and to evaluate management routines and guidelines for funds management within the Company.
- To appoint and dismiss the CEO, determine his or her benefits and terms of employment, and monitor that he or she fulfils the required duties.
- To authorize and present TradeDoubler's annual financial statements to the AGM.

The Board of Directors meets at least seven times per year but during the 2006 financial year they met 20 times. The issues dealt with were largely related to the operation of the company, as well as of a strategic nature. The large number of board meetings was due to the takeover bid announced on 15 January 2007. No director has been absent on more than exceptional occasions. The Group's accountant did not participate in the board meeting when the 2005 financial statements were approved, nor at the board meeting in conjunction with the Board's review of the 2006 third quarter report.

Composition of the Board

The TradeDoubler Board consists of eight directors, elected by the AGM for a one-year period. Apart from the CEO, none of the directors are part of executive management. The Chairman of the Board since 2005 is Kjell Duveblad. Other directors are Peter Ahldin, Elisabet Anell, Felix Hagnö, Martin Henricson, Catharina Stackelberg-Hammarén and Lars Stugemo.

Dependent relationship of directors

Felix Hagnö is one of the founders and a previous employee of the company, which means his position is not one of independence in relation to the company and its management. The Board considers his extensive knowledge of salary and benefit setting and bonus schemes in the company make him suitable for the assignment. For further information on individual directors see page 55. TradeDoubler's company lawyer is appointed Board secretary.

Board fees

Board fees are resolved by the AGM. At the 2006 AGM, Board fees were adopted for 2007 of SEK 900 thousand, of which SEK 400 thousand is to the Chairman, SEK 150 thousand each is paid to Elisabet Anell, Lars Stugemo and Catharina Stackelberg-Hammarén (other directors elected by the AGM receive no payment) as well as a fee for work on the Audit Committee of SEK 50 thousand to the chairman of the committee.

Auditors

TradeDoubler's auditors are appointed by the AGM. The auditors review the Company's annual financial statements and accounts and the administration of the CEO. The auditors are to present an audit report to the AGM at the end of each financial year.

Audit Committee

The Board of Directors has recently appointed an Audit Committee consisting of four directors: Elisabeth Annell (chairman), Kjell Duveblad, Felix Hagnö and Catharina Stackelberg Hammarén. The committee met five times during the year. The company's auditors were present at the committee meetings. The quality of financial reporting was a topic of regular discussion. The committee is responsible for matters related to financial statements, audits, internal audits, scope of audits, auditors' fees and financial guidelines. The Audit Committee also assists the Nomination Committee with proposals for appointment of auditors and auditors' fees. The committee's function is largely preparational.

Benefits Committee

The Board has appointed a Benefits Committee consisting of Kjell Duveblad (chairman), Elisabet Annell and Felix Hagnö. The committee is responsible for decisions related to benefits and other conditions of employment for the CEO and other executive management along with general incentive programmes for TradeDoubler employees. Felix Hagnö is one of the founders and a previous employee of the company, which means his position is not one of independence in relation to the company and its management. The Board considers his extensive knowledge of salary and benefit setting and bonus schemes in the company make him suitable for the assignment. All directors have been present at every meeting.

Benefits to executive management

The 2006 AGM adopted principles for benefits and other employment terms for executive management which in principle indicate they are to be market-based. Growth and improved operating profit are to be rewarded and there is to be an upper limit for variable benefits. Benefits are to consist of fixed salary, variable salary, pension premiums, share warrants and conditions for termination and severance pay. Variable salary is to be market-based and reward growth, operating profit and work across the Group. There is to be an upper limit for variable benefits. Executive management are to receive a market-based fixed premium pension plan. Matters related to employment terms for the CEO are prepared by the Board's Benefits Committee and decided by the Board. The CEO sets the employment terms for other executive management after discussion with the Board's Benefits Committee and Chairman.

Nomination process

TradeDoubler's Nomination Committee is appointed according to the guidelines adopted by the AGM. The Nomination Committee for 2007 consists of: Ramsey Brufer, chairman of the Nomination Committee, representative of Alecta Pensionsförvaltning Robert Ahldin, representative of AVI EHF Kjell Duveblad, Chairman of the Board Felix Hagnö, representing own holdings through Enzymix Ltd

CEO

Martin Henricson has been President and CEO during 2006. Henricson handed in his resignation on 17 November 2006. On 28 March 2007 the Board appointed William Cooper to the position of President and CEO.

Internal control

The Board has overall responsibility for TradeDoubler maintaining an appropriate level of internal control. The CEO is assigned responsibility for a system check being in place that covers all substantial risks of error in financial reporting. TradeDoubler's internal control system comprises the

control environment, risk assessment, control measures, information and communication, and monitoring. TradeDoubler strives to continuously review and improve the rules and systems that provide the basis of qualified internal control.

Control environment

The control environment is the basis for internal control in financial reporting. TradeDoubler's internal control structure builds on such factors as a clear division of responsibility and work between the Board and CEO as well as within the operative organisation. Policies and guidelines are documented and reviewed by management and the Board on a regular basis.

Control procedures

For accounting purposes, the majority of TradeDoubler subsidiaries come under a Shared Service Centre based in Stockholm, which makes effective financial control possible.

Risk assessment

TradeDoubler identifies, analyses and decides how to handle the risk of error in financial reporting. The Board reviews the outcome of the Company's process for risk assessment and risk management to ensure all key areas are covered and identifies any actions required.

Information and communication

Internal information and external communication is governed from a corporate perspective by the information policy. A key communication channel is the TradeDoubler intranet which provides all employees with access to current information. Internal policies, guidelines, instructions and similar documents that control and support the business are published on the intranet.

Monitoring

TradeDoubler management has systematically reviewed and structured the internal documentation of the internal control system. Nothing has arisen that would indicate that the control system does not function as intended. The Board has thus decided not to establish an internal audit function for the time being, a decision that is to be reviewed annually.

Stockholm 10 May 2007

Board of Directors