

Resolution on guidelines for remuneration to senior executives

The board of directors proposes that the annual general meeting shall adopt the following guidelines for remuneration to the members of the management of AcadeMedia ("senior executives"). The guidelines apply to agreements entered into following the resolution of the annual general meeting 2021 and also where amendments are made to existing agreements after such point in time. These guidelines do not apply to remuneration decided or approved by the general meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

AcadeMedia's business strategy is, in short, to develop and provide leading and distinct educational operations throughout the entire education chain. AcadeMedia's strategies for achieving this are based on the following elements:

1. Clear focus on education and strong brands.
2. Talented and dedicated people.
3. Comprehensive quality assurance model (the AcadeMedia Model).
4. Continuous improvement and innovative solutions.
5. Long-term profitable and sustainable growth.
6. Sustainability strategy.

For more information regarding the company's goals and business strategy, please be referred to <https://academedia.se/om-academedia/mal-strategi/> (in Swedish only) and the latest annual report. A prerequisite for the successful implementation of AcadeMedia's business strategy and safeguarding of the company's long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company is able to offer competitive remuneration. The objective of these guidelines is to enable AcadeMedia to attract, motivate and retain qualified personnel.

AcadeMedia continuously implements long-term share-related incentive programs that include senior executives and certain key employees within the group. Long-term share-related programs that are resolved by the general meeting are excluded from these guidelines. The board of directors' proposal for adoption of new long-term share-related incentive programs can be found in the notice of annual shareholders meeting, which is published at the end of October each year (<https://academedia.se/en/investors/corporate-governance/annual-general-meeting/>). The performance criteria used to assess the outcome of the plans are distinctly linked to the business strategy and thereby to the company's long-term value creation, including its sustainability. These performance criteria comprise, *inter alia*, that AcadeMedia must have maintained a good quality of its education services and that the total return of the AcadeMedia share (return to the shareholders in the form of stock price increase and reinvestments of potential dividend payments during the term) shall be positive. The plans are further conditional upon the participant's own investment and certain holding periods of several years.

Additionally, a long-term incentive program in the form of a convertible program has been implemented and convertibles have been offered to employees of the AcadeMedia group, excluding the management. The senior executives have also been offered a stock option program of cash-settled options, resolved and issued by Mellby Gård, the principal owner of AcadeMedia. Further information regarding the incentive programs is available in the latest annual report and at <https://academedia.se/en/investors/corporate-governance/fees-and-remunerations/incentive-programs/>.

Types of remuneration, etc.

The remuneration to the senior executives shall be on market terms and may consist of fixed cash salary, variable cash compensation, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related and share price-related remuneration.



The fixed cash remuneration forms the basis of the total marketable remuneration, which is required to attract senior executives. The fixed cash remuneration shall be determined based on the responsibilities and performance of the individual.

The variable cash remuneration may amount to not more than fifty (50) per cent of the total fixed cash remuneration for the measurement period. The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year.

For the CEO, pension benefits and other insurances shall be premium defined. Variable cash remuneration shall not qualify for pension benefits, but could, if agreed, be converted to pension. The pension premiums for premium defined pension shall amount to not more than thirty (30) per cent of the fixed annual cash salary.

For other senior executives, pension benefits in addition to those, according to the provisions of the collective bargaining agreement, mandatory pension benefits must be defined-contribution. Mandatory pension benefits here refers to the occupational pensionplan ITP's benefits disability pension, waiver of premium insurance, and, where applicable, the equalization premium and any defined-benefit pension on salary components up to 7.5 income base amounts. If there is no collective bargaining agreement or if it is not applicable to the executive, the benefit corresponding to the ITP plan's mandatory disability pension shall apply in addition to the defined-contribution pension benefit. Variable cash remuneration shall be entitled to pension benefits insofar as this follows from mandatory collective bargaining agreement provisions that are applicable to the executive. The pension premiums for defined-contribution pension benefits shall amount to a maximum of twenty-five (25) percent of the fixed annual cash salary. The fixed cash annual salary must also include statutory holiday pay.

If deemed to be market customs, other benefits may include, for example, life insurance, medical insurance (*Sw. sjukvårdsförsäkring*) and/or company car and shall constitute only a minor part of the total remuneration. Such benefits may amount to not more than ten (10) per cent of the fixed annual cash salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Termination of employment

If notice of termination of employment is made by the company, the notice period may not exceed twelve months. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the CEO's fixed cash salary for two years, and one year for other executives. When termination is made by the executive, the period of notice may not exceed six months, without any right to severance pay.

Furthermore, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall amount to not more than sixty (60) per cent of the fixed cash salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, however not for more than six months following termination of employment.

Criteria for awarding variable cash remuneration, etc.

The purpose of the variable cash remuneration is to promote Academedia's business strategy and long-term interests, including its sustainability, by means of:

- Steering towards the group's set goals by rewarding good work performance.
- Contributing to committed and motivated executives that in turn motivate their employees.
- Creating clarity by communication and contracting of goals and expected work results.



- Creating attraction in conjunction with the recruitment of new executives.
- Creating an incentive for existing executives to remain in the group.

Consequently, the variable cash remuneration shall be linked to predetermined and measurable criteria, which can be financial or non-financial. They may also be individualized, quantitative or qualitative objectives. The criteria shall be designed to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. The remuneration committee is responsible for the evaluation of the variable cash remuneration to the CEO. For variable cash remuneration to other executives, the CEO is responsible for the evaluation, and the remuneration committee determines whether the remuneration is to be paid. The board of directors and, where applicable, the CEO may decide to withdraw or reduce the variable compensation for an individual, if the individual has shown a lack of judgment and disregarded negative consequences regarding quality in order to maximize the financial goals. For financial objectives, the evaluation shall be based on the financial information established for the relevant period.

The board of directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply, to in whole or in part reclaim variable remuneration paid on incorrect grounds.

Salary and employment conditions for employees

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment conditions for AcadeMedia's employees have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

Remuneration to board members

To the extent a board member conducts services for Academedia in addition to the board work, consultancy fees and other compensation for such work may be payable. The compensation shall be on market terms and be put in relation to the benefit for AcadeMedia. Compensation to a board member, including other terms, shall be resolved by the board of directors.

The decision-making process to determine, review and implement the guidelines

The board of directors has established a remuneration committee. The committee's tasks include preparing the board of directors' decision to propose guidelines for remuneration to senior executives. The board of directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The remuneration committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for remuneration to senior executives as well as the current remuneration structures and compensation levels in AcadeMedia. The members of the remuneration committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The board of directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a certain case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure AcadeMedia's financial viability. As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters, which also includes any resolutions to derogate from the guidelines.



Review of the guidelines prior to the annual general meeting 2021

The remuneration committee has, prior to the annual general meeting 2021, conducted a review of the guidelines. The proposed amendments do not include any material amendments to the guidelines but are rather of an editorial nature.

