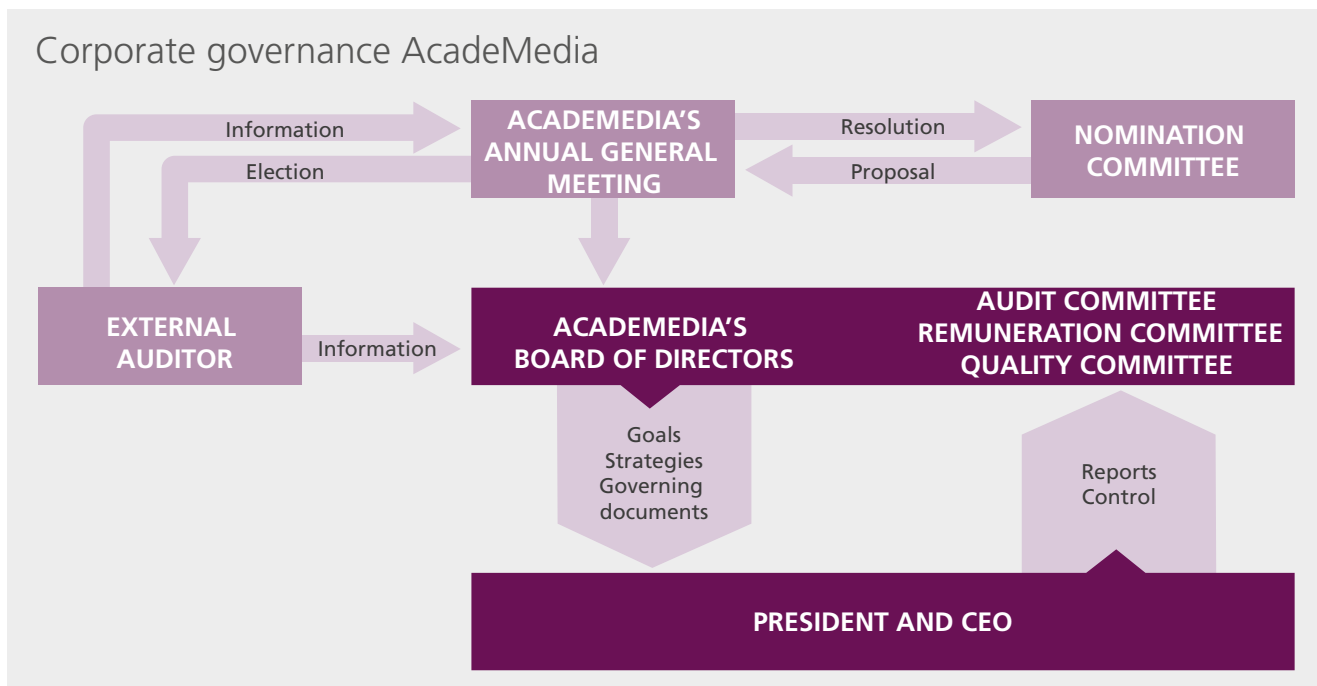


Corporate Governance Report



EXTERNAL GOVERNING DOCUMENTS	INTERNAL GOVERNING DOCUMENTS
<ul style="list-style-type: none"> • Swedish Companies Act • Swedish Annual Accounts Act • Other relevant laws • Nasdaq Stockholm's rules for issuers of shares • Swedish Code of Corporate Governance 	<ul style="list-style-type: none"> • AcadeMedia's articles of association • Rules of procedure, instructions for the board of directors/CEO • Values and culture • Codes of conduct • Policies and guidelines

AcadeMedia AB (publ) is a public limited company whose shares were listed on 15 June 2016 on Nasdaq Stockholm's list for Mid Cap companies. AcadeMedia complies with Nasdaq Stockholm's rules for issuers of shares and the Swedish Code of Corporate Governance (the "Code"), which applies to all Swedish companies whose shares are listed on a regulated stock market in Sweden.

Corporate governance at AcadeMedia

The purpose of corporate governance at AcadeMedia is to ensure that the Board of Directors and management act so that the company's operations focus on development to create long-term value for shareholders and other stakeholders, such as students, employees and customers. This includes ensuring:

- an efficient organisation,
- quality management, risk management and internal control systems; and
- transparent internal and external reporting.

The structure of corporate governance at AcadeMedia is shown in the above illustration. Responsibility for governance, management and control is allocated between shareholders, the Board of Directors, its elected committees and the Chief Executive Officer. The external

framework includes the Swedish Companies Act and Nasdaq Stockholm's rules for issuers of shares and the Swedish Code of Corporate Governance (the "Code"), as well as other relevant Swedish and foreign laws and regulations (such as the Education Act). This Corporate Governance Report was prepared in accordance with the Swedish Annual Accounts Act.

In addition, there are internal control instruments such as the articles of association, rules of procedure for the Board, guidelines for the composition of the Nomination Committee, instructions to Board committees, instructions to the Chief Executive Officer, authorisation arrangements, financial policy, communication policy, inside information policy, ethical guidelines, property policy and guidelines for remuneration of senior executives. Some of these documents can be found on AcadeMedia's website. All policy documents are available on AcadeMedia's intranet for employees.

Deviations from the Corporate Governance Code

During the 2018/19 financial year one deviation from the Code occurred, regarding rule 9.7, under which AcadeMedia reports a deviation with respect to the share-matching plan and the warrant programme that was launched in 2016 and is described below in the sections entitled 'Share capital and

shareholders' and 'Long-term incentive programmes'. The deviation consists of the fact that the vesting period for the programmes is less than three years. The intention is that the vesting period in the company's long-term incentive programmes is to run from the first quarter report of the financial year to the corresponding report three years later. Because the current programmes, which were launched in 2016, were adopted in connection with the company's listing on Nasdaq Stockholm in June 2016, the vesting period for this year's programme is slightly shorter. The share-matching plan that was launched in 2016 expired in the second quarter of 2018/19.

AcadeMedia includes qualitative criteria when determining the quality goals in share-matching plans for senior managers, which represents a deviation from the Code. Achieved quality goals are measured extensively with several different quantitative measurements from school unit level up to Group level, and are described in detail in AcadeMedia's annual quality report and on the company's website. AcadeMedia's Board of Directors has determined that it is also appropriate to evaluate whether management has used good judgment in its quality improvement work. This is important to ensure that operations develop in a way that is beneficial for the students and sustainable in the long term, for the company.



In this way the Board of Directors has the opportunity to deny allocation of matching shares if it has determined that management has failed to exercise good judgement and, for example, prioritised profit over quality.

Shareholders' meeting

The shareholders' meeting is AcadeMedia's highest decision-making body. At the shareholders' meeting, shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the company's profit, discharge from liability of members of the Board of Directors and the Chief Executive Officer, election of members of the Board of Directors and auditor, as well as remuneration of Board members and the auditor. Amendments to the articles of association are also decided by the shareholders' meeting. The Annual General Meeting of shareholders must be held within six months of the end of the financial year. AcadeMedia's Annual General Meeting will be held on 26 November 2019. In addition to the Annual General Meeting, an Extraordinary General Meeting may also be convened. According to the articles of association, shareholders' meetings are convened by publication of the convening notice in the Swedish National Gazette (Sw. Post och Inrikes Tidningar) and by making the notice available on the company's website. At the time of the notice, information regarding the notice shall be published in Dagens Industri.

Right to participate in shareholders' meetings

Shareholders who wish to participate in a shareholders' meeting must be included in the shareholders' register maintained by Euroclear Sweden on the day occurring five business days prior to the meeting, and notify the company of their participation no later than on the date indicated in the notice convening the meeting. Shareholders may attend shareholders' meetings in person or by proxy and may be accompanied by a maximum of two advisors. Shareholders may register for the shareholders' meeting in several different ways, as indicated in the notice convening the meeting. Shareholders are entitled to

vote for all shares in the company held by the shareholder.

Shareholder initiatives

Shareholders who wish to have a matter brought before the shareholders' meeting must submit a written request to the Board of Directors. Such requests must be received by the Board of Directors well in advance of the shareholders' meeting, in accordance with the information provided on the company's website in conjunction with the announcement of the time and place of the shareholders' meeting.

Nomination Committee

In compliance with the Code, AcadeMedia has a Nomination Committee tasked with preparing proposals for the shareholders' meeting regarding the election of Board members and auditors.

According to a resolution from the Annual General Meeting of the company on 22 November 2018, AcadeMedia's Nomination Committee shall comprise the Chairman of the Board and one representative of each of the three largest shareholders and that can be determined from Euroclear's shareholder register based on their holding in the company at the end of the financial year's third quarter. Consequently, AcadeMedia's Nomination Committee consists of:

Rune Andersson, Mellby Gård Limited, 21.1 percent of votes at the end of the third quarter.

Erik Durhan, Nordea Fonder, 8.8 percent of votes at the end of the third quarter.

Malin Björkmo, Handelsbanken Fonder, 3.4 percent of votes at the end of the third quarter.

Anders Bülow, Chairman of the Board, is co-opted.

Rune Andersson is chairman of the Nomination Committee.

Shareholders

The largest shareholders and their holdings are set out both in the Business Overview on page 52, and in the section on the AcadeMedia share on pages 126-127.

Board of Directors

Composition of the Board of Directors

According to AcadeMedia's articles of association the Board of Directors, to the extent that it is elected by the shareholders' meeting, shall consist of at least three members and a maximum of ten members. The company's Board of Directors currently consists of seven members, including the Chairman, elected by the shareholders' meeting for the period until the AGM in 2019. Labour organisations are entitled by law to appoint employee representatives to the Board with the same rights and duties as other Board members. The Swedish Teachers' Union and the National Union of Teachers in Sweden appointed a total of two members and two deputies to serve on the Board of Directors. The list below shows AcadeMedia's Board members, when they were first elected to the Board and whether the elected members are independent of the company, executive management and/or the principal owner. The composition of the Board of Directors of AcadeMedia meets the requirements for independent board members. None of the members of Group management have significant shareholdings or partnerships in companies with which the company has significant business relationships.

Anders Bülow has been AcadeMedia's Chairman of the Board since 2017. The Chairman is elected by the Annual General Meeting, leads the Board, and ensures that it is both efficient and well organised.

Authorisation

The 2018 Annual General Meeting authorised the Board of Directors to resolve to issue new shares corresponding to a dilution of a maximum of five percent.

Division of work

The Board follows written rules of procedures that are reviewed annually and adopted at the statutory Board meeting each year. The rules of procedure regulate Board practices, functions and breakdown of duties between Board members and the Chief Executive Officer, as well as between the Board and its various

BOARD OF DIRECTORS IN 2018/19, POSITION AND INDEPENDENCE

Member	Elected	Position	Independent of	
			The company and executive management	The company's major shareholders
Anders Bülow	2016	Chairman of the board	Yes	No
Silvija Seres	2015	Board member	Yes	Yes
Johan Andersson	2017	Board member	Yes	No
Pia Rudengren	2017	Board member	Yes	Yes
Anki Bystedt	2017	Board member	Yes	Yes
Thomas Berglund	2017	Board member	Yes	Yes
Håkan Sörman	2017	Board member	Yes	Yes
Peter Milton*	February 2016	Employee representative	–	–
Anders Lövgren	February 2016	Employee representative	–	–
Fredrik Astin*	February 2016	Deputy employee representative	–	–
Pernilla Larsson	November 2016	Deputy employee representative	–	–

*Peter Milton resigned ahead of the start of the autumn semester 2019. In connection, Fredrik Astin will be the new employee representative and Sofia Lundström will take up the position of new deputy employee representative.

BOARD ATTENDANCE DURING THE 2018/19 FINANCIAL YEAR

Member	Audit Committee	Remuneration Committee	Board meeting attendance ¹	Quality Committee
Anders Bülow	5 (5)	–	8 (8)	–
Silvija Seres	–	6 (6)	8 (8)	6 (7)
Johan Andersson ¹	2 (3)	6 (6)	7 (8)	3 (3)
Pia Rudengren	5 (5)	–	7 (8)	–
Anki Bystedt	–	–	8 (8)	7 (7)
Thomas Berglund	–	5 (6)	6 (8)	7 (7)
Håkan Sörman	2 (2)	–	8 (8)	4 (4)
Peter Milton	–	–	8 (8)	–
Anders Lövgren	–	–	8 (8)	7 (7)
Fredrik Astin	–	–	6 (8)	5 (7)
Pernilla Larsson	–	–	8 (8)	–

¹ At the 2018 Annual General Meeting, Johan Andersson took over from Håkan Sörman as a member of the Audit Committee and Håkan took up Johan's seat on the Quality Committee. It is for this reason that neither of them have attended all meetings during the financial year.

committees. In connection with the statutory Board meeting following each Annual General Meeting, the Board also adopts the instructions to the Chief Executive Officer, including instructions for financial reporting.

The Board meets annually according to a fixed schedule. In addition to these Board meetings, additional meetings may be convened to deal with issues that cannot be referred to a regular Board meeting. In addition to Board meetings, the Chairman and the Chief Executive Officer conduct a continuous dialogue concerning management of the company.

The Board's work during the 2018/19 financial year

During the financial year, the Board held eight meetings at which the minutes were recorded. Board member attendance can be seen in the accompanying table. The function of secretary at the Board meetings has been performed by Eola Ånggård Runsten, also AcadeMedia's CFO, legal counsel Lars Paulsson, or Chief Legal Officer Jonas Nordström. Before the meetings, Board members received written information on the issues to be discussed at the meeting.

During the year, the Board has devoted its time to following up the Group and segments' performance, quality issues, financial management and financial reporting. Furthermore, time has been spent on analysing the German market and the growth strategy going forward, property strategy and decisions regarding property matters, development of the preschool portfolio in Sweden, development of regulatory framework in Norway, decisions on acquisitions, divestments and new establishments, and organisational changes.

The Board has been working actively with management on various strategic issues and each year devotes an extended Board meeting to a review of the company's strategy.

Audit Committee

AcadeMedia's Board of Directors has established an Audit Committee comprising three members. At the statutory Board meeting after the 2018 AGM, the following members were chosen: Pia Rudengren (chair), Anders Bülow och Johan Andersson. Håkan Sörman, who was elected in autumn 2017, therefore

stepped down from the Audit Committee after two meetings during the financial year. The Audit Committee shall, among other things, without prejudice to the responsibilities and tasks of the Board of Directors, monitor the company's financial reporting, monitor the efficiency of the company's internal control, internal auditing and risk management, keep itself informed of the auditing of the annual report and the consolidated accounts, review and monitor the impartiality and independence of the auditor, keep itself informed of the result of the Swedish Inspectorate of Auditors' quality control of the company's auditor and pay close attention to whether the auditors are providing the company with other services besides audit services. The committee is also tasked with evaluating the audit work and providing this information to the Nomination Committee, as well as assisting the Nomination Committee in the preparation of proposals regarding election of auditors and auditors' fees.

During the year, the Audit Committee addressed a number of issues that were specific to this financial year. These included IFRS 16, Norwegian pension assumptions, follow-up of acquisitions and new establishments, the Adult Education segment's transition reserve and internal control.

PricewaterhouseCoopers AB has been serving as auditors for AcadeMedia since the 2017 AGM. Patrik Adolfson is principal auditor with Eva Medbrant as cosignatory. A description of the appointed auditors can be found on page 69.

The Audit Committee has a scheduled annual cycle with five planned meetings each year. Five meetings were also held during the 2018/19 financial year.

Remuneration Committee

The Board of Directors of AcadeMedia has also established a Remuneration Committee comprising three members: At the statutory Board meeting after the 2018 AGM, Thomas Berglund (chairman), Johan Andersson and Silvija Seres were chosen to serve on the Remuneration Committee. The committee therefore has the same members as the previous year. The Remuneration Committee shall prepare proposals concerning remuneration principles and remuneration and other

terms of employment for the CEO and senior executives. The Remuneration Committee will also prepare questions relating to the management's succession planning for further discussion and treatment by the Board.

The Remuneration Committee held three meetings during the financial year.

Quality Committee

As of autumn 2017, AcadeMedia's Board of Directors has also established a Quality Committee. The purpose of the Quality Committee is to be able to work more actively with operational issues such as quality improvement, brands and digitalisation. The statutory Board meeting in 2018 elected Silvia Seres (chairman), Anki Bystedt, Håkan Sörman and Thomas Berglund as members, which meant that Håkan Sörman replaced the previous member Johan Andersson, who only participated in three Quality Committee meetings. Employee representatives Fredrik Astin and Anders Lövgren also sit on the Quality Committee. The Quality Committee held seven meetings during the financial year.

Evaluation of the work of the Board of Directors

The Board's work is evaluated annually through a structured process in which all Board members and deputy members answer questions about how they feel the Board performed in a number of relevant areas. The areas assessed include whether the Board's skills and composition are appropriate, as well as the focus and direction of its work. The Chairman of the Board is responsible for the evaluation and ensures that the results are presented and discussed within the Board, as well as in the Nomination Committee. Thus the evaluation serves as a basis for the Board's further work and development, as well as for the Nomination Committee's work. The evaluation of the Board's work in 2018/19 was distributed prior to the Board meeting on 12 June 2019 and was subsequently presented to the Nomination Committee. All Board members elected by the AGM participated in the survey, which was verbally reviewed, and various development areas were discussed.

Remuneration of Board members and shareholdings

The 2018 Annual General Meeting resolved that remuneration until the next Annual General Meeting shall be paid at SEK 600,000 per year to the Chairman of the Board and SEK 250,000 per year to each of the other Board members who are not employed by the Group. In addition, the chairman of the Audit Committee will receive a fee of SEK 150,000 and each of the other members of the Audit Committee who are not employees of the Group will receive SEK 75,000, SEK 50,000 to the chairman of the Remuneration Committee and SEK 25,000 to each of the other members of the Remuneration Committee who are not employees of the Group, as well as SEK 100,000 to the chairman of the Quality Committee and SEK 50,000 to each of the other members of the Quality Committee who are

not employees of the Group.

The 2018 AGM also resolved that the members of the Quality Committee that was established by the Board at its statutory meeting in November 2017 would be paid a retrospective fee totalling SEK 250,000 for their work during the 2017/2018 financial year, to be allocated as follows: SEK 100,000 to the chairman of the Quality Committee and SEK 50,000 to each of the other members of the committee.

For information on remuneration paid to Board members for the 2018/19 financial year, see Note 6.

Chief Executive Officer and other senior executives

Marcus Strömberg has been President and CEO of AcadeMedia since 2005. The division of work between the Board of Directors and the CEO is set out in the rules of procedure for the Board of Directors and the CEO's instructions. The CEO is also responsible for the preparation of financial statements and compiling information from executive management for Board meetings, and for presenting such material at the meetings.

According to the instructions for financial reporting, the CEO is responsible for financial reporting in the company and consequently must ensure that the Board of Directors receives adequate information in order for the members of the Board to be able to evaluate the company's financial position.

The CEO must continuously keep the Board of Directors informed of developments in the company's operations, the net sales development, the company's earnings and financial position, liquidity and credit status, important business events and all other events, circumstances or conditions which can be assumed to be of significance to the company's shareholders.

Group management, consisting of the four segment managers, CFO, Director of Business Development, Human Resources Director, Head of Safety and Security and Head of Communication and Public Affairs, provide support for the CEO.

For further information about the CEO and other senior executives, as well as their shareholdings, see page 70.

For a description of the remuneration and terms of employment for the Chief Executive Officer and senior management for the 2018/19 financial year, as well as outstanding incentive programmes in the company, please refer to Note 6. The evaluations and reports required under the Code are posted on the website, along with descriptions of incentive programmes, criteria for variable remuneration, application of guidelines for remuneration of senior executives, remuneration structures and remuneration levels in the company.

Internal control and risk management

Internal control framework

AcadeMedia's procedures for internal control are based on two perspectives: internal control and risk management relating to operations and internal control and risk management relating to financial reporting. Internal control shall ensure that AcadeMedia's financial reporting provides an accurate view of the company's financial position, and that operations continuously meet the requirements and expectations of a company that operates within publicly funded operations.

During the year, AcadeMedia completed work on reviewing the Group's risks and risk control work. The project was reported back to the Audit Committee in May 2019. Risk control procedures and work on developing them are now part of day-to-day operations. This means that an annual review of the company's risk register and controls will take place in addition to ongoing risk monitoring that is already established.

Based on the above and the Audit Committee's evaluation, the Board of Directors has decided not to create a dedicated internal audit function and instead to focus on continuing to develop the company's risk analysis and internal control. Alongside established monitoring processes and governance processes, including in the form of reporting to the Board, this is deemed to be sufficient. However, the Board of Directors conducts an annual review of the need for an internal audit function.

Control environment

AcadeMedia's Board of Directors is ultimately responsible for ensuring that the company complies with the requirements for internal control and control of its financial reporting. The Board annually adopts a number of governance documents to support the actions of management and all employees in order to promote correct, complete and current accounting. Central documents, which are available on the company's intranet, include rules of procedure for the Board of Directors, instructions for the CEO and the CEO's duties, the work allocation between them and overall policies. AcadeMedia's CEO has delegated responsibility for implementation and enforcement of formalised routines for financial reporting and internal control to the CFO. In addition to the company's policies, AcadeMedia's accounting manual with authorisation arrangements is a central element and was approved by the Board.

In parallel with the procedures for financial accounting and reporting, AcadeMedia's internal control and risk management is largely based on systematic quality work. AcadeMedia has developed its own quality system through the AcadeMedia Model. The purpose of the quality model is both to minimise risk and to improve quality in our schools. In addition, the Group has a regular risk management process in which various risks that arise are evaluated and monitored. Finally, operations are regular-

ly inspected by various supervisory authorities, including the Schools Inspectorate, the Work Environment Authority, the Public Employment Service, the National Agency for Higher Vocational Education and the Norwegian Directorate for Education and Training, along with the municipalities in which the company operates.

Within the framework of the AcadeMedia Model, internal control includes annual student, parent and employee surveys. This procedure makes it possible to monitor satisfaction and opinions in various areas, providing a basis for improvement so that measures and additional controls can be implemented as needed. Within the Group's preschools, compulsory schools and upper secondary schools, internal audits have been carried out for many years to verify that operations meet the requirements of laws, regulations and other statutes, as well as serving as tools for development and improvement initiatives. Each unit within AcadeMedia is reviewed from the perspective of quality at least every other year (external oversight or internal audit). Internal audits are carried out at the preschool, compulsory school and upper secondary school level in accordance with AcadeMedia's jointly adopted methodology. In adult education, internal audits/self-monitoring are carried out in various ways depending on the type of operation. When deficiencies are identified, an action plan is formulated and in most cases the deficiency must be remedied within three months. In order to monitor and control ongoing regulatory and inspection cases, case logs of all pending cases are kept. On a monthly basis, the Group's Head of Quality and legal counsel prepare a list of units for which specific risks and deficiencies exist. The list is reported to Group management and also to the Board each quarter.

AcadeMedia is characterised by high growth rates due to new establishments, as well as acquisitions. With regards the latter, the company has well-developed procedures for integrating new operations relatively quickly and for ensuring that the operations comply with the company's quality and financial procedures.

In summary, AcadeMedia's control environment is based on:

- Steering and follow-up actions by the Board and its Audit Committee.
- Governing documents such as policies and rules of procedure.
- Accounting manual with authorisation arrangements.
- Ongoing quality monitoring and internal audits.
- Ongoing risk assessment.
- The company's organisation and clear delegation of competence and demands of accountability.
- Well-established ethical guidelines (Code of Conduct) and the company's guarantees to students/participants and society.
- A well-developed system for quality management (the AcadeMedia Model).

Risk assessment

AcadeMedia conducts a more extensive risk assessment for the business annually. Operations are characterised by relatively low risks in areas such as credit risk (high share of public customers/counterparties), market risk (stable markets and revenue streams based on continuous need for educational services, demographic trends and price inflation) and relatively low risk of corruption or financial irregularities. The type of corruption that can occur is that representatives of attractive schools may come under pressure to ignore the rules that apply for waiting lists. The company regards the following risks to be the most significant:

- Political/regulatory risk, i.e. the risk of new rules or remuneration structures, which are difficult for the company to offset.
- Quality risk, i.e. the risk that quality fails to meet the standards of the relevant laws, contract requirements and customer expectations, causing a subsequent loss in revenue.
- Reputation risk, i.e. the risk that inadequate ethics or transparency cause loss in revenue.

These risks are best managed by a quality management model (AcadeMedia Model), clear ethical guidelines and a high degree of transparency regarding the company's operations.

Find out more about risks and risk management on pages 60–62 and under note 28.

Control activities

Monitoring and control of the company's operations in relation to stated objectives is ongoing. Monitoring of the Board of Directors is largely conducted via the Audit Committee, including monitoring of reporting by management and the external auditors. The external auditors examine selected areas of internal control regarding the risk of errors in the financial statements and report the results to the Audit Committee.

The internal control system aims both to ensure the reliability of financial reporting and organised monitoring of the Group's quality performance, as well as to ensure the necessary monitoring of compliance with Group policies, principles and instructions. Internal controls shall also ensure that the consolidated financial statements are prepared in accordance with the law and applicable accounting standards, and that the other requirements of the Group are met. Internal control relating to financial reporting consists of a number of main elements:

- The organisational structure of competence developed and documented in the order of attestation, which requires that at least two individuals review and approve transactions and costs.
- Documentation of financial procedures and policies found in the Group's accounting manual, including financial policies etc.

- The procedures by which individuals at several levels in the organisation analyse the financial results prior to external reporting.
- The Audit Committee's duty to supervise financial reporting and internal control.
- Clear guidelines on financial reporting in the company's communication policy and its IR policy.

Information and communication

AcadeMedia has communication and information channels aimed at enabling relevant information to be quickly and duly spread both internally and externally. The company has a structure for communicating complete and transparent financial reports. There are policies and procedures to prevent incorrect or inappropriate information. The Board of Directors receives monthly business reports, both operational and financial. The Board is responsible for external interim reports and annual accounts in accordance with applicable laws and the Code. The financial reports are published on the company's website. Internal governing documents are found in the company's management system and are posted, where relevant, on AcadeMedia's intranet. The results of the annual quality investigation are published annually for the entire Group, for each provider and for each education unit on their respective websites.

The new General Data Protection Regulation (GDPR) entered into force on 25 May 2018, which strengthened digital security regarding personal data management. Work on implementing GDPR continued during the 2018/19 financial year within AcadeMedia, including via the drawing up of an archiving plan and cookie policy, along with the appointment of suitable data processors and creation of processor agreements. AcadeMedia has continued to manage and develop the shared communication platform for privacy issues. Procedures relating to personal data breaches have also been drawn up to ensure systematic management. On page 32 of the Sustainability Report, we give an account of the systematic management of personal data breaches. AcadeMedia has decided to report eight breaches to the Swedish Data Protection Authority. None of these have led to any measures from the Swedish Data Protection Authority. The personal data breaches indicate an awareness of data protection and privacy issues, and work is continuing on encouraging an understanding of the new regulations and how they should be applied.

Follow-up

AcadeMedia's efforts within internal control and risk management are primarily carried out through Group management's continuous follow-up of operations in relation to set goals and key ratios, as well as by focusing on early warning signs. The company's key procedures for financial reporting and their appropriateness are continuously assessed by the CFO and the CFO's organisation. Compliance with the

financial handbook, policies and legislation is examined and any deviation leads either to corrective actions, or improvement of processes and procedures. The audit committee summarises and reports on the status of identified measures to the Board.

Internal audit

AcadeMedia's internal governance and control are based on a model of three lines of defence. Based on an evaluation by the Audit Committee, the Board has resolved not to establish a special internal audit function. The company believes that the enhanced risk evaluation and internal control work, combined with the quality management system and the responsibility of each segment head, along with the company's CFO, meet the need for proper control, and that monitoring takes place, including in the form of reporting to the Board. However, the Board of Directors conducts an annual review of the need for an internal audit function. In order to ensure an appropriate organisation for control measures and with respect to relevant permits, the boards of the subsidiaries (providers subject to permits) consist of AcadeMedia's CEO, Deputy CEO, CFO, legal counsel and the relevant segment head and business area head. The company has therefore currently resolved not to establish an internal audit function.

Auditing

The auditor shall review the company's annual report and financial statements, as well as the Board of Directors and CEO's management of the company. Following the end of each financial year, the auditor shall present an audit report and a consolidated audit report to the AGM.

According to the company's articles of association, the company must have at least one and at most two auditors and at most two deputy auditors. The company's auditors are PricewaterhouseCoopers AB, with Patrik Adolfson as principal auditor and Eva Medbrant as cosignatory. Patrik Adolfson is an authorised public accountant and partner at PwC. He has many years of experience auditing companies listed on a regulated market and companies in the service sector. Patrik has served as auditor for clients such as Attendo, Securitas and Bonava. Eva Medbrant also has many years of experience auditing companies listed on a regulated market. The company's auditors have participated in all Audit Committee meetings since they were appointed in conjunction with the 2017 AGM.

The Audit Committee conducts an annual evaluation of the auditors' work and independence.

The company's auditors are presented in more detail in the section entitled 'Board of Directors, senior executives and auditors' on page 69.

For information on the remuneration paid to the auditors for the 2018/19 financial year, see note 5.