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**NASDAQ STOCKHOLM'S  
DISCIPLINARY COMMITTEE**

DECISION  
2020:11

31 August 2020

Nasdaq Stockholm

Mavshack AB (publ)

## **DECISION**

The Disciplinary Committee orders Mavshack AB to pay a fine to Nasdaq Stockholm corresponding to two times the annual fee.

### **Motion**

The shares in Mavshack AB (publ) ("Mavshack" or the "Company") are admitted for trading on Nasdaq Stockholm AB's (the "Exchange") Nasdaq First North Growth Market trading platform. The Company has signed an undertaking to comply with the Exchange's Rule Book for Nasdaq First North Growth Market applicable from time to time ("Rule Book").

The Exchange has argued that Mavshack violated section 4.2.3 (b) of the Rule Book by not publishing the press release from the Company's extraordinary general meeting held on 3 June 2020 as soon as possible.

With reference to section 6.3 in Supplement B to the Rule Book, the Exchange has moved that the Disciplinary Committee evaluate the alleged violation of the Rule Book and impose a reasonable sanction.

Mavshack has stipulated to the violation alleged by the Exchange, but argued that the cause of the violation was beyond the Company's control.

Neither of the parties has requested an oral hearing. The Disciplinary Committee has reviewed the documents in the matter.

## **Reasons for the decision**

### The Rule Book

Pursuant to section 4.2.3 (b) of the Rule Book, following a general meeting of shareholders, the issuer must disclose information about any resolutions adopted by the general meeting that are not insignificant.

Section 4.2.1, in combination with section 4.1 of the Rule Book, provide that, with regards to time and method, an issuer's disclosure of resolutions adopted by the general meeting of shareholders shall take place in the same manner as a disclosure of inside information.

Pursuant to Article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014, ("MAR"), the issuer shall inform the public as soon as possible of inside information which directly concerns that issuer.

The guidance text for section 4.2.3 of the Rule Book clarifies that as soon as possible after the close of the general meeting of shareholders, the issuer shall disclose information about any resolutions adopted by the general meeting that are not insignificant.

### Considerations

At 10 AM on 3 June 2020, an extraordinary general meeting of shareholders of Mavshack was held. At 11:24 AM on 4 June 2020, the Company published a press release from the extraordinary general meeting of shareholders.

*The Exchange has argued:* An issuer's obligation to disclose a press release from a general meeting of shareholders in accordance with the Rule Book is foreseeable and such a disclosure can thus be prepared before the relevant general meeting of shareholders is held. In this light, and particularly in a case as that at hand where the general meeting of shareholders resolves in accordance with proposals presented to the general meeting, the permissible time frame between the closing of the general meeting of shareholders and publication must be deemed to be short. Since the Company did not publish a press release from its extraordinary general meeting of shareholders after it was closed on 3 June 2020, and instead did not publish until 4 June 2020, the Exchange is of the opinion that it did not take place as soon as possible.

*The Company has argued:* Mavshack conducts operations in the Philippines and India, and a number of the Company's directors live in the Philippines. As a consequence of the ongoing pandemic, nobody in these countries is permitted to move about outside of their homes. A functioning internet connection is a prerequisite for holding meetings with directors in the Philippines. At the time of the extraordinary general meeting in question, as a consequence of working from home, the directors did not have functioning internet connections, and thus the communication surrounding the press release was protracted. Mavshack stipulates that the press release was published too late, but is of the opinion that the Company could not act otherwise and that the events that resulted in the delay were wholly beyond the Company's control.

*The Disciplinary Committee observes* that it is undisputed that the relevant press release from the general meeting of shareholders was published too late and that Mavshack thereby violated the Rule Book, but that the Company argued that the violation should not result in

any sanction since the delay was beyond the Company's control due to the fact that the directors in the Philippines did not have internet connections at that time. The Disciplinary Committee observes, however, that a press release from a general meeting of shareholders need not be handled or approved by the company's board of directors. The publication, which was untimely, cannot be excused by the fact that the delay was a result of how the Company set up its internal organisation for information disclosure. The Disciplinary Committee's determination is that, in light of this, the Company's violation of the Rule Book is serious and also is not excusable.

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In summary, the Disciplinary Committee finds that Mavshack violated section 4.2.3 (b) in combination with section 4.1 of the Rule Book. The Disciplinary Committee takes a serious view of the violation and determines the sanction at a fine corresponding to two times the annual fee.

On behalf of the Disciplinary Committee,

A handwritten signature in blue ink, appearing to read 'Marianne Lundius', is shown within a light gray rectangular box.

Marianne Lundius

Former Justice Marianne Lundius, MBA Ragnar Boman, *Advokat* Wilhelm Lünig, company director Anders Oscarsson, and authorised accountant Magnus Svensson Henryson participated in the committee's decision.

Secretary: Erik Lidman, J.D.