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NASDAQ STOCKHOLM

DECISION

14 Oct 2020

DISCIPLINARY COMMITTEE

2020:13

Nasdaq Stockholm
Oasmia Pharmaceutical AB

DECISION

The Disciplinary Committee orders Oasmia Pharmaceutical AB to pay to Nasdaq Stockholm a fine corresponding to 15 times the annual fee.

Motion

The shares in Oasmia Pharmaceutical AB (“Oasmia” or the “Company”) are admitted to trading on Nasdaq Stockholm (the “Exchange”). Oasmia has signed a commitment to comply with the Exchange’s Rule Book for Issuers in force from time to time (the “Rule Book”).

The Exchange has asserted that Oasmia has disregarded good practice in the stock market, and thereby section 5 of the Rule Book, by failing to comply with a principal owner’s request to convene an extraordinary general meeting of the Company for the election of directors and, although notice to attend such a general meeting was subsequently distributed, nevertheless cancelled the meeting at a late stage.

Citing section 35 of Supplement D to the Rule Book, the Exchange has moved that the Disciplinary Committee consider the violation of the Rule Book and determine an appropriate sanction.

Oasmia has admitted the violation but moved that no fine be imposed on the Company.

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

Reasons for the decision

The Rule Book

Section 5 of the Rule Book in force at the time in question provided that an issuer whose shares were admitted to trading on the Exchange was obliged to comply with good practices in the Swedish stock market.

Considerations

On 25 March 2019, the Swedish Securities Council published statement 2019:13 concerning Oasmia. In the statement it was noted, *inter alia*, that Oasmia had violated good practices in the stock market by failing to comply with the request of a principal owner to convene an extraordinary general meeting for the election of directors and that, although notice to attend such a general meeting was subsequently issued, the meeting was nevertheless subsequently cancelled at a late stage. It was further concluded that the Company had violated good practices in the stock market by, in several press releases, commenting on the principal owner's request and proposal for directors.

The Exchange has asserted: The Swedish Securities Council has made the assessment that Oasmia has, in connection with a request to convene an extraordinary general meeting of the Company, violated in a number of respects good practices in the stock market. Consequently, the Company has also violated the Rule Book.

The Company has asserted: The Company admits that its previous board of directors acted in violation of good practices in the stock market and thereby also violated the Rule Book, but believes that the violation is not sufficiently serious to justify the imposition of a fine on the Company. This position is primarily justified by the fact that the Company has implemented cogent measures to rectify the shortcomings which resulted in the violation of the Rule Book. These include, primarily, the fact that all members of the Company's board at the time of the violation have been removed and that a new board of directors has been appointed. The Company has also expended significant resources on investigating and rectifying shortcomings in the governance of the Company. In this context, it should be specifically mentioned that the Company retained a special examiner to investigate the responsibility of the former board of directors on a number of issues. The Company believes that the measures taken have been effective and that they ensure that no corresponding violations will take place. In the event the Disciplinary Committee nevertheless imposes a fine on the Company, the Company intends by way of recourse to claim compensation from the directors of the Company at the time of the violations of the Rule Book that are relevant in the matter.

The Disciplinary Committee notes that it is evident from the Swedish Securities Council's statement 2019:13 that the Company has flagrantly and repeatedly violated good practice in the stock market. Oasmia has thereby violated section 5 of the Rule Book. It is positive that Oasmia's general meeting removed the individuals who, at the time in question, sat on the Company's board of directors, but in accordance with the Disciplinary Committee's established practice, this fact cannot absolve the Company from liability.

The Disciplinary Committee considers the Company's behaviour to be particularly serious, and in the Committee's opinion was likely to seriously damage public confidence in the Exchange and the stock market. The Disciplinary Committee sets the sanction at a fine corresponding to 15 times the annual fee.

On behalf of the Disciplinary Committee



Ann-Christine Lindeblad

Supreme Court Justice Ann-Christine Lindeblad, authorised public accountant Magnus Svensson Henryson, director Jack Junel, director Anders Oscarsson and director Joakim Strid have participated in the Committee's decision.

Secretary: Jur.dr. Erik Lidman