



Press Release, November 7, 2011

## **Information about Summons to the Annual General Meeting of Diamyd Medical AB**

*The following summons to the Annual General Meeting will be available at Diamyd Medical's website [www.diamyd.com](http://www.diamyd.com) from Wednesday November 9, 2011.*

### **Summons to the Annual General Meeting of Diamyd Medical AB**

*The shareholders of Diamyd Medical AB (publ) are hereby summoned to the Annual General Meeting on Wednesday December 7, 2011 at 3.00 p.m. in Stora Hörsalen, Garnisonen, at Karlavägen 100 in Stockholm, Sweden.*

#### **Attendance**

Shareholders who wish to attend the meeting must be recorded in the register of shareholders held by Euroclear Sweden AB by Thursday December 1, 2011, and must also notify the Company of their intention to attend the Meeting by mail to Diamyd Medical, Karlavägen 108, SE-115 26 Stockholm, by e-mail to [investor.relations@diamyd.com](mailto:investor.relations@diamyd.com) or on the Company's website, [www.diamyd.com](http://www.diamyd.com) not later than 4.00 p.m. on Friday December 2, 2011. The notification must state the shareholder's name, address, telephone number, personal identity number or company registration number, registered shareholding and the name of any shareholder's representative. Shareholders whose shares are registered in custodial accounts must ask the custodian to temporarily register the shares in the shareholder's name (registration of entitlement to vote) to obtain the right to participate in the Annual General Meeting. The shares must be registered not later than December 1, 2011.

#### **Proposed agenda**

1. Opening of the meeting and election of Chairman.
2. Establishment and approval of the register of voters.
3. Approval of the agenda.
4. Election of one or two persons to certify the minutes.
5. Verification of whether the Annual General Meeting has been duly convened.
6. A review of the past year, CEO Peter Zerhouni.
7. Presentation of the annual accounts and audit report submitted and the consolidated annual accounts and consolidated audit report.
8. Resolutions:
  - a. On the adoption of the income statement and balance sheet and the consolidated income statement and consolidated balance sheet.
  - b. On disposition of the Company's profits or losses in accordance with the adopted balance sheet.
  - c. On discharge from liability for Board members and the Chief Executive Officer.
9. Establishment of remuneration of the Board of Directors and the auditors.
10. Establishment of the number of Board members.
11. Election of the Board of Directors, the Chairman of the Board of Directors and any substitute directors.
12. Election of auditor.
13. Resolution on guidelines for remuneration of senior executives.
14. Resolution on the Nomination Committee for the 2012 Annual General Meeting.
15. Resolution on the authorization of repurchase of shares.
16. Resolution on the issue of subscription warrants.
17. Other issues that rest with the Annual General Meeting in accordance with the Companies Act (2005:551).

#### **Proposed resolutions**

*Chairman of the Meeting, item 1*

The Nomination Committee proposes that attorney Erik Nerpin be elected Chairman of the meeting.

*Disposition of the Company's profits or losses, item 8 b*

The Board proposes that no dividend be paid out fiscal year 2010/2011.

*Election of Board Members, the auditors and remuneration etc., items 9-12*

The Nomination Committee proposes the re-election of Board members Anders Essen-Möller, Lars Jonsson, Maria-Teresa Essen-Möller, Joseph Janes and the election of new Board member Christer Lindberg (63), M.Sc. in Business Administration, MBA. Lindberg is a business consultant with his own company Tyrilin AB. Previously Lindberg served as president of Almi Företagspartner Stockholm AB for 12 years, and also as president of Almi Investeringsfond AB. Göran Pettersson, Henrik Bonde and Sam Lindgren have declined a re-election. The Committee proposes the re-election of Anders Essen-Möller as Chairman of the Board.

The Nomination Committee proposes re-election of the auditors Öhrlings PricewaterhouseCoopers until the end of the Annual General Meeting 2012. Principal auditor is the authorized accountant Eva Blom.

The Nomination Committee proposes remuneration of SEK 125,000 per year (SEK 125,000 in the preceding year) for each of the Board members who are not employed at the Company (The Chairman of the Board is a Company employee) and that the remuneration for work on the audit committee, if one is appointed, shall be SEK 30,000 per committee member (no more than two members). The total Board fees can thus amount to SEK 560,000. If Anders Essen-Möller should cease as an employee of the Company, his capacity as Chairman of the Board would entitle him to remuneration of SEK 250,000 per year. It is proposed that the auditors should receive remuneration according to approved account.

*Guidelines for remuneration of senior executives, item 13*

The Board proposes that the Annual General Meeting approves guidelines for remuneration of the CEO and other senior executives that largely correspond to the guidelines that were approved at the Annual General Meeting on December 9, 2010. These guidelines mainly state that the total compensation package shall be in line with market conditions and consist of a balanced mix of fixed salary, pension benefits, other benefits as well as terms for notice. It should be permissible to deviate from the guidelines if there are special reasons to do so for individual cases.

*Resolution on the Nomination Committee 2012, item 14*

The Nomination Committee proposes that the Nomination Committee for the 2012 Annual General Meeting shall be appointed in essentially the same way that was approved at the 2010 Annual General Meeting held on December 9, i.e. as follows. The Nomination Committee shall be composed of representatives of the three largest shareholders in the Company in terms of the number of votes and the Chairman of the Board of Directors (issuing the call). The identity of the members of the Nomination Committee must be made public not later than six months prior to the 2012 Annual General Meeting. If the ownership structure changes substantially before completion of the Nomination Committee's work, the composition of the Nomination Committee may be changed. If a member leaves the Nomination Committee before its work is complete, the other members shall designate a replacement. The Nomination Committee will prepare proposals for the following decisions at the 2012 Annual General Meeting: (i) election of the Chairman of the Annual General Meeting, (ii) election of Board members and the Chairman of the Board of Directors, (iii) Directors' remuneration, (iv) election of the Company's auditors, (v) remuneration to the Company's auditors, and (vi) rules for the nomination process for the 2013 Annual General Meeting.

*Authorization to repurchase shares, item 15*

The Board proposes that the Annual General Meeting authorizes the Board, for the period until the next Annual General Meeting, to repurchase series B shares in Diamyd Medical on NASDAQ OMX Stockholm ("the Exchange"). The maximum number of shares repurchased shall be such that Diamyd Medical shares held in treasury from time to time do not exceed five percent of all shares in Diamyd Medical. Repurchase of shares must be conducted in accordance with the Stock Exchange's Rule Book for Issuers. The purpose of this authorization is to give the Board a tool to optimize the capital structure of the Company in order to create increased value for the shareholders.

*Resolution on the issue of subscription warrants, item 16*

The Board proposes that the Annual General Meeting resolves to implement a stock option plan for employees of the Company. The purpose of the option program is to reinforce the employees' interest in the Group's business and make tangible the correlation between employment benefits and the Company's results. The following principal terms shall apply to the option program.

The Annual General Meeting is proposed to resolve to issue a maximum of 600,000 subscription warrants. Each warrant will entitle the holder to subscribe for one new share of Series B of the Company at a price of SEK 20 during the period December 15, 2013 to December 15, 2015. Subscription for and payment of the warrants shall be made no later than January 15, 2012. Warrants are to be issued at the by the Board estimated market value, calculated using the Black & Scholes's valuation model for options. Oversubscription is not possible.

Entitled to subscribe for warrants, with deviation from the shareholders preferential rights, shall be employees of, or persons closely affiliated with, the Group. Allocation of warrants shall be decided by the Board taking into account the employee's salary level, experience and position at the Company. With respect to employees outside Sweden, the Board shall be authorized to set the terms for subscription in a manner consistent with and by the Board deemed appropriate in relation to applicable legislation, which among other things, could mean that warrants are issued free of charge and that subscription of shares can be made with a quarter per year over four years.

Assuming full subscription of the issue and full exercise of the warrants to subscribe for new shares, the Company's share capital will increase by SEK 300,000 through the issuance of 600,000 shares of Series B, each share having a par value of SEK 0.50 (without prejudice to the increase that may arise from adjustments under the conditions of the warrants as a result of new share issues, etc.). The new shares will in such a case, based on current share capital, represent about 2 percent of the share capital.

Resolution to issue warrants in accordance with the proposal is subject to chapter 16 in the Companies Act and is therefore valid only if approved by shareholders representing at least nine tenths of the votes cast and the shares represented at the Meeting.

#### **Shareholder's right to request information**

Shareholders are reminded of their right to request information at the Annual General Meeting from the Board of Directors and the Chief Executive Officer in accordance with the Companies Act, chapter 7, § 32. Shareholders who wish to submit a request in advance may do so by mail to the address Diamyd Medical AB, Karlavägen 108, SE-115 26 Stockholm, or by e-mail to [investor.relations@diamyd.com](mailto:investor.relations@diamyd.com).

#### **Other information**

At the time of the summons, there are 29,597,133 shares, made up of 1,437,876 shares of Series A (1 vote) and 28,141,257 shares of Series B (1/10 of a vote). There are a total of 4,252,001.7 votes.

The Annual Report and Audit report, the auditors' Statement on the application guidelines for remuneration of senior executives and Corporate Governance Report, as well as other documents and the proxy form, will be available at the Company's offices at the address above, as well as on the Company website [www.diamyd.com](http://www.diamyd.com), from Wednesday, November 16, 2011. A copy will be sent to any shareholders who so request.

Stockholm, November 2011  
Diamyd Medical AB (publ)  
The Board of Directors

#### **For more information, please contact:**

Peter Zerhouni, President and CEO Diamyd Medical AB (publ.)  
Phone: +46 8 661 0026

#### **For press material, please contact:**

Andreas Ericsson, Diamyd Medical AB (publ.)  
[press@diamyd.com](mailto:press@diamyd.com)  
Phone: +46 8 661 0026

#### **About Diamyd Medical**

Diamyd Medical is a Swedish pharmaceutical company focusing on the development of pharmaceuticals for the treatment of pain, neuropathy and autoimmune diabetes. The portfolio of development projects for the treatment of chronic pain and neuropathy uses the Company's patented NTDDS (Nerve Targeting Drug Delivery System)

platform to administer drugs directly to the nervous system. The development project within the area of diabetes consists of the protein GAD65 for the treatment and prevention of autoimmune diabetes.

Diamyd Medical has offices in Sweden and in the US. Shares are listed on Nasdaq OMX in Stockholm (ticker: DIAM B) and on OTCQX in the US (ticker: DMYDY) administered by the Pink OTC Markets and the Bank of New York Mellon (PAL). Further information is available on the Company's website: [www.diamyd.com](http://www.diamyd.com).

*This information is disclosed in accordance with the Swedish Securities Markets Act, the Swedish Financial Instruments Trading Act, or the requirements stated in the listing agreements.*

**Diamyd Medical AB (publ.)**

Karlavägen 108, SE-115 26 Stockholm, Sweden. Tel: +46 (0)8 6610026, Fax: +46 (0)8 661 63 68  
E-mail: [info@diamyd.com](mailto:info@diamyd.com). VAT no: SE556530-142001