



BAVARIAN NORDIC

Minutes from the Annual General Meeting 2016 in Bavarian Nordic A/S

On 20 April 2016 at 4 p.m., the annual general meeting of Bavarian Nordic A/S was held at Comwell Borupgaard, Nørrevej 80, DK-3070 Snekkersten.

Marianne Philip, attorney-at-law, was appointed as chairman of the meeting and announced that the general meeting had been duly convened. Present or lawfully represented were 446 of the Company's shareholders representing nominally DKK 64,322,900 of the shares and the corresponding number of votes or 20.9% of the Company's share capital of nominally DKK 280,657,120. The Executive Management, the Board of Directors and the auditors were also present.

Referring to article 12 of the Articles of Association, the agenda was as follows:

1. The Board of Directors' report on the Company's activities in the past year;
2. Presentation of the Annual Report for adoption;
3. A proposal from the Board of Directors regarding the application of profit or covering of loss pursuant to the Annual Report as adopted;
4. A resolution to discharge the Board of Directors and the Board of Management from their obligation;
5. Election of Members to the Board of Directors;
6. Election of Auditors;
7. Any proposal from the Board of Directors or shareholders:

The Board of Directors has proposed the following resolutions:

- a. Proposal to increase and extend the authorisations of the Board of Directors in Article 5a of the Articles of Association, so that the Board of Directors is authorised to increase the share capital of the Company by nominally DKK 28,065,710 until 30 June 2017.
- b. Proposal to increase and extend the authorisation of the Board of Directors in Article 5b of the Articles of Association, so that the Board of Directors until 31 December 2017 is authorised to issue warrants, which entitle the holders to subscribe for shares in the Company at a nominal value of up to DKK 6,000,000.
- c. Proposal to amend Article 11 of the Articles of Association to allow the Company's shareholders to cast different votes on their shares.
- d. Proposal to approve remuneration of the Board of Directors and the Board Committees for the current financial year.

- e. Proposal to authorise the Board of Directors to repurchase Company shares.

re 1, 2, 3 and 4:

Gerard van Odijk, chairman of the Board of Directors, presented the report of the Board of Directors for 2015. He presented the profile of Bavarian Nordic, being a large supplier to the U.S. Government, a major collaborator with the US National Cancer Institute and a very successful R&D company with 7 active clinical programs of which 3 are in Phase 3. This has resulted in the company having a solid financial position, integrated R&D and manufacturing, recognition of the technology by major business partners, excellent pipeline and a unique discovery platform.

Gerard van Odijk mentioned that the qualities described have delivered a strong financial and operational performance in 2015, where among others important partnership deals were signed with Bristol-Myers Squibb and with Janssen regarding HPV. The agreements are a recognition of Bavarian Nordic's achievements and platforms although in biotech one only know whether a product will be effective, once the results are obtained. In 2015 the company also saw multiple advances in R&D and additional funding from the U.S. Government.

This resulted in a strong performance for BN shareholders, although the first quarter of 2016 have seen a global pause in the overall performance of Pharma and Biotech, which also have had effect on Bavarian Nordic.

Paul Chaplin, CEO, reviewed the highlights in 2015, including the partnership with Bristol-Myers Squibb regarding PROSTVAC and the license agreement with Janssen regarding HPV, as well as the continuing R&D and supply agreements with the U.S. Government. Further Paul Chaplin reviewed the pipeline, where key clinical data were reported in 5 studies and where multiple new studies were initiated. Paul Chaplin found that the company has a strong foundation for further development, and reviewed the status in detail for the PROSTVAC cancer Immunotherapy Phase 3 study, the IMVAMUNE partnership with the U.S. Government, the Janssen partnership and the main pipeline projects, including the advancing clinical development of an RSV vaccine, the development of CV-301 in combination treatment for multiple cancers and supporting NCI in clinical development of MVA-BN Brachyury. Paul Chaplin finalised by providing his expectations for 2016/17.

Ole Larsen, CFO, reviewed the financial performance for 2015 where the company had revenues of more than DKK 1bn for the fourth consecutive year, a break-even result for the third consecutive year and with cash preparedness doubled since 2013. With a gross margin of approx. 60% the company has been able to invest between DKK 500 and DKK 600 million annually in R&D. Ole Larsen mentioned that the 2015 results, which are in line with expectations, primarily were generated from the deliveries of more than 2 million doses of Ebola vaccine to Janssen. In addition the company delivered IMVAMUNE to the U.S. Government and Canada and had almost DKK 200 million in revenue from R&D contracts with Janssen and U.S. Government.

Ole Larsen went through the financial outlook for 2016, where another year with break-even is expected. More than 90% of revenues are expected to be recognized in the fall of 2016. The Company expects revenues of DKK 750 million from IMVAMUNE sales, and DKK 250 million from R&D contracts, total R&D costs of DKK 580 million and cash preparedness year end 2016 at DKK 1.9 billion. Ole Larsen finished his presentation by reviewing the share performance during 2015 and 2016 YTD and mentioned that Bavarian Nordic is bolstered for growth after the successful recent completion of the DKK 665 million capital increase.

Claus Berner Møller of ATP thanked the Board of Directors and the Executive Management for the impressive results in 2015, finding that it was the very focussed strategy of Bavarian Nordic that made its success. Claus Berner Møller said that he had expressed already at the 2015 annual general meeting his view that there were projects that could merit more attention. ATP had therefore been positive about the recent capital increase. Claus Berner Møller said he did not think companies the size of Bavarian Nordic would benefit from two listings and that he found it gratifying, therefore, that the listing in the United States had not been carried through.

Michael Thøgersen, Danish Shareholders' Association, thanked management and staff for good and solid work and results in 2015, and raised a number of questions. Michael Thøgersen asked whether the hedging of the USD meant that had the dollar not been hedged, then Bavarian Nordic would have had a loss. Michael Thøgersen also noted that James B. Breitmeyer had not been replaced, and asked in respect of Ebola whether it is expected that major countries like the United States will stockpile the vaccine to be prepared for a new outbreak, whether the MVA-BN vector could also be applied to the zika-virus, whether the company expects to enter into a partnership regarding RSV as was the case for PROSTVAC, and whether the price level for POSTVAC can be indicated. Finally Michael Thøgersen asked whether Bavarian Nordic expects permission to treat patients with PROSTVAC before having obtained FDA approval of the product.

Paul Chaplin did not expect that major countries would stock pile the Ebola vaccine. He believed that the MVA-BN vector could possibly also be applied to the zika-virus but no programs have been initiated. No decisions have been taken about partnering regarding RSV, but it may be likely that at a certain point a partnership will be entered into. In respect of PROSTVAC Bristol-Myers Squibb takes decisions about news regarding pricing, and it is not likely that a permission to treat patients will be obtained before the product has been approved.

Ole Larsen explained that the results would not have been negative if the USD had not been hedged.

Prior to the general meeting a shareholder had asked whether there are female managers at the next management level, as the shareholder in question had noted that there are no women in Bavarian Nordics 2 top layers of management (Board and Executive Management). Paul Chaplin referred to the CSR report and the Statutory Corporate Governance Report and reported that there is an even distribution among men and women in Bavarian Nordic when Board and Management are excluded.

Jens Havnstrup Rolfgaard asked whether Zika-virus would be a future area for Bavarian Nordic, and found that it seems obvious for the company to be involved in that. In addition he asked for an explanation about the Kerrisdale short position in 2015. In respect of Zika-virus Paul Chaplin explained that it is not likely that Bavarian Nordic will invest in that area, but if WHO or others will establish a program, then Bavarian Nordic would be interested in getting involved. Ole Larsen gave a general explanation about short positions.

The general meeting adopted the report of the Board of Directors, approved the annual report and the proposal to carry forward the result for the year to next year, and discharged the Board of Directors and the Executive Management from liability.

re 5:

Gerard van Odijk, Claus Bræstrup, Anders Gersel Pedersen, Erik G. Hansen and Peter Kürstein were ready to accept re-election. The Board of Directors further proposed that Frank Verwiel was elected as a new member of the Board of Directors.

The Chairman informed the meeting about the managerial posts held by the candidates in other Danish and foreign-owned enterprises, other than wholly-owned subsidiaries.

Gerard van Odijk motioned the election of Frank Verwiel.

The proposal was adopted.

Following the resolution, the Board of Directors consists of:

Gerard van Odijk (Chairman)

Anders Gersel Pedersen (Vice-Chairman)

Claus Bræstrup
Erik Gregers Hansen
Peter Kürstein
Frank Verwiel

re 6:

Deloitte, Statsautoriseret Revisionspartnerselskab, was re-elected as the Company's auditor.

re 7:

- a. The Board of Directors proposes to increase and extend the authorisations of the Board of Directors in Article 5a of the Articles of Association, so that the Board of Directors is authorised to increase the share capital of the Company in one or more issues by a total of nominally DKK 28,065,710 until 30 June 2017.

The proposal entails amending Article 5a of the Articles of Association as follows:

"Subsection 1

For the period ending on 30 June 2017, the Board of Directors shall be authorised to increase the Company's share capital in one or more issues with a total of nominally DKK 28,065,710 (2,806,571 shares of DKK 10 each) by the subscription of new shares. The existing shareholders shall have pre-emption right to subscribe for the amount by which the share capital is increased, proportional to their shareholdings. The share capital shall be increased by cash payment at a subscription price which may be lower than the value of the shares.

The terms and conditions of the subscription for shares shall be determined by the Board of Directors.

The new shares shall be negotiable instruments, shall be registered in the names of the holders and shall be entered in the Company's register of shareholders. No restrictions shall apply to the transferability of the new shares, and no shareholder shall be obliged to have his shares redeemed - in whole or in part. The shares shall carry the right to dividend as from the date fixed by the Board of Directors, but not later than the first financial year following the capital increase.

Subsection 2

For the period ending on 30 June 2017, the Board of Directors shall be authorised to increase the Company's share capital in one or more issues with a total of nominally DKK 28,065,710 (2,806,571 shares of DKK 10 each) by the subscription of new shares. The existing shareholders shall not have pre-emption right to subscribe for the amount by which the share capital is increased.

The share capital may be increased by cash payment or in other ways, such as by conversion of debts or in payment of a contribution in kind. The share capital shall in any event be increased at a subscription price, which is not lower than market value.

The terms and conditions of the subscription for shares shall be determined by the Board of Directors.

The new shares shall be negotiable instruments, shall be registered in the names of the holders and shall be entered in the Company's register of shareholders. No restrictions shall apply to the transferability of the new shares, and no shareholder shall be obliged to have his shares redeemed -

in whole or in part. The shares shall carry the right to dividend as from the date fixed by the Board of Directors, but not later than the first financial year following the capital increase.

Subsection 3

When exercising the authorisations given in Articles 5a(1) and 5a(2) the Board of Directors is overall authorised to increase the share capital of the Company with a total of nominally DKK 28,065,710 (2,806,571 shares of DKK 10 each)."

The Chairman reviewed the proposal.

The Chairman ascertained that the proposal had been adopted by more than two-thirds of the votes cast as well as more than two-thirds of the votes represented at the general meeting.

- b. The Board of Directors proposes to increase and extend the authorisation of the Board of Directors in Article 5b of the Articles of Association, so that the Board of Directors until 31 December 2017 is authorised to issue warrants, which entitle the holders to subscribe for shares in the Company at a nominal value of up to DKK 6,000,000. The Board of Directors also proposes to extend the Board of Directors' authorisation to reuse or reissue any lapsed and unexercised warrants under the terms and within the time limitations set out in this authorisation. The proposal entails authorising the Board of Directors to increase the share capital of the Company as a consequence of the issuance of warrants until 1 April 2021 as well as amending Article 5b of the Articles of Association as follows:

"During the period ending 31 December 2017, the Company may issue warrants, in one or more portions by resolution of the Board of Directors. The warrants may be issued to the management and employees of the Company or its subsidiaries, including to consultants, for the subscription of a nominal value of up to DKK 6,000,000 shares (600,000 shares of DKK 10 each) by cash contribution at a subscription price and on such other terms as the Board of Directors may determine. Any issuance of warrants to the management shall be made in accordance with the Company's policy for incentive remuneration of the Board of Directors and the Management, prepared in accordance with section 139 of the Danish Companies Act and approved by the general meeting, cf. Article 17a of the Articles of Association.

Holders of warrants shall have pre-emption right to subscribe for the shares, issued based on the warrants, meaning that the pre-emption rights to subscribe to warrants and new shares for existing shareholders are deviated from.

As a consequence of the exercise of awarded warrants, the Board of Directors is authorised during the period until 1 April 2021 to increase the share capital by a nominal value of up to DKK 6,000,000 shares (600,000 shares of DKK 10 each) in one or more portions by resolution of the Board of Directors by cash contribution at a subscription price and on such other terms as the Board of Directors may determine without pre-emption right for the existing shareholders.

The new shares issued based on warrants shall have the same rights as existing shares according to the Articles of Association. The new shares shall be negotiable instruments, shall be shall be registered in the names of the holders and shall be entered in the Company's register of shareholders. No restrictions shall apply to the transferability of the new shares and no shareholder shall be obliged to have his shares redeemed - in whole or in part. The new shares shall carry the right to dividend from the time of subscription.

Subject to the rules in force at any time, the Board of Directors may reuse or reissue lapsed and unexercised warrants if any, provided that the reuse or reissue occurs under the terms and within the

time limitations set out in this authorisation. Reuse is to be construed as the Board of Directors' entitlement to let another party enter into an existing agreement on warrants. Reissue is to be construed as the Board of Directors' option to reissue new warrants, under the same authorisation, if previously issued warrants have lapsed."

The Chairman reviewed the proposal.

The Chairman ascertained that the proposal had been adopted by more than two-thirds of the votes cast as well as more than two-thirds of the votes represented at the general meeting.

- c. The Board of Directors proposes to amend Article 11 of the Articles of Association to the effect that the Company's shareholders will no longer have to cast the same vote in respect of all of their shares. The amendment makes it possible for the shareholders to cast different votes in respect of their shares and as a result shareholders may choose to split their votes. The proposal entails amending Article 11 of the Articles of Association as follows:

"Each share amount of DKK 10 shall give one vote at General Meetings. Any shareholder may cast different votes in respect of his shares. Any shareholder shall be entitled to attend the General Meeting and exercise his voting rights, provided that he has requested an admission card from the Company's offices no later than three days prior to the pertinent meeting. His capacity as a shareholder shall be documented by his title having been registered in the Company's register of shareholders no later than one week prior to the general meeting or by the Company having received his application for entry of the title in the register of shareholders before this date.

The shareholder may attend in person or be represented by proxy, and is entitled to attend together with an advisor.

The proxy holder must provide a dated and written proxy issued to a person who does not need to be a shareholder in the Company. Unless containing a provision to the contrary, proxies shall be deemed to be in force until revoked in writing by notification to the Company. However, proxies issued to the Company's Board of Directors may not be issued for a period of more than 12 months and may only be issued in respect of a specific general meeting for which the agenda is known in advance."

The Chairman reviewed the proposal.

The Chairman ascertained that the proposal had been adopted by more than two-thirds of the votes cast as well as more than two-thirds of the votes represented at the general meeting.

- d. The Board of Directors proposes to maintain the level of the annual fee to the members of the Board of Directors for the financial year 2016 to DKK 300,000. However, the remuneration to the Chairman will be two and a half times the annual fee (DKK 750,000), and the remuneration to the Deputy Chairman will be one and a half times the annual fee (DKK 450,000).

The Board of Directors proposes that the members of the two board committees will receive an additional annual fee of DKK 100,000. The remuneration to the Chairmen of the board committees will, however, be one and a half times the annual fee (DKK 150,000).

Further, the Board of Directors proposes that (i) each member of the Board of Directors receives an attendance fee of DKK 5,000 for each board and/or committee meeting he/she attends to, which in no event can exceed DKK 5,000 per day, (ii) the Company pays the travelling expenses incurred by the foreign board members in connection with board- and/or committee meetings, and (iii) any social

costs associated with the remuneration of the Board of Directors and the board committees (e.g. mandatory contributions to social security in other countries) is covered by the Company.

Moreover, the Board of Directors proposes that the indemnification agreements entered into between the Company and the board members are approved whereby the Company will indemnify, exonerate or hold harmless each member of the Board of Directors for any liability or expenses incurred in connection with or as a consequence of serving in their capacity as board members in the Company and its subsidiaries to the fullest extent permitted by applicable law.

The Chairman reviewed the proposal.

The Chairman ascertained that the proposal had been adopted by more than a simple majority, and noted that in fact the proposal had been adopted by more than two-thirds of the votes cast as well as more than two-thirds of the votes represented at the general meeting.

- e. The Board of Directors proposes that the Board of Directors is authorised on behalf of the Company to acquire own shares in the Company.

It is therefore proposed that the following authorisation is granted to the Company's Board of Directors pursuant to Article 198 of the Danish Companies Act:

"The General Meeting hereby authorises the Board of Directors to acquire own shares on behalf of the Company in accordance with Article 198 of the Danish Companies Act. The Company may only acquire own shares for a total nominal value of up to 10 % of the Company's share capital for the time being. The remuneration paid for the Company's shares may not deviate by more than 10 % from the bid rate established by Nasdaq Copenhagen A/S at the time of acquisition. The bid rate shall be the closing rate at Nasdaq Copenhagen A/S - all trades at 5:00 PM CET.

This authorisation is granted to the Company's Board of Directors for the period until the next annual General Meeting."

The Chairman reviewed the proposal.

The Chairman ascertained that the proposal had been adopted by more than a simple majority.

The general meeting authorised Marianne Philip, attorney-at-law, to register the proposals adopted by the General Meeting with the Danish Business Authority (Erhvervsstyrelsen) and to make such additions, alterations or amendments thereto or therein, including to the Articles of Association, and to take any other action as the Danish Business Authority may require for registration.

The chairman announced that there was no further business to transact and the general meeting was closed.

Chairman of the meeting:

Marianne Philip