

Remuneration Policy

1. Objects and scope of the Remuneration Policy

Bavarian Nordic A/S' (the "Company") remuneration policy sets out the principles for the total remuneration of the Company's Board of Directors (the "Board") and the members of Executive Management as are registered with the Danish Business Authority (the "Executive Management").

The objects of the remuneration policy are to contribute to the Company's business strategy, long-term interests and sustainability by supporting the Company's abilities to recruit, retain and motivate competent and loyal members to the Company's Board and Executive Management. The policy of the Company is that remuneration of the Board and Executive Management must be competitive and comparable to remuneration in other Danish and international enterprises which the Company naturally compares to.

Furthermore, when establishing this remuneration policy, the salary and employment conditions of the employees of the Company were taken into account to ensure that the remuneration of the Board and Executive Management in general does not reach an unintended level. The remuneration of the Company's employees is based upon the same overall principles as set out in this policy in that remuneration is determined in order to support the successful delivery of the Company's strategy. Consequently, in addition to a fixed salary, employees may from time to time be invited to participate in cash bonus schemes and/or may also participate in share-based incentive schemes (warrants and/or restricted stock units), in each case as decided by the Board of Directors (the total number of shares which can be subscribed for based on warrants granted to employees in the Bavarian Nordic Group, may not exceed 10 % of the total number of shares in the Company).

It is the opinion of the Board that incentive-based remuneration of the Board and the Executive Management contributes positively to motivating the recipient to deliver that extra performance needed to achieve short-term and long-term goals as well as business strategies and sustainability. Share-based schemes in particular create shared interests between the Board member, the Executive Management and the Company's shareholders.

Agreements about incentive remuneration and other terms for members of the Board and Executive Management entered into before the adoption of this remuneration policy will continue on the already agreed terms. Any amendment of existing agreements as well as conclusion of new agreements with the members of the Board and the Executive Management will be subject to this remuneration policy.

2. Remuneration

2.1. Remuneration of the Board

Remuneration of the Board consists of the following:

- (i) fixed fees for Board and board committee membership consisting of cash and restricted stock units;
- (ii) reimbursement of certain expenses; and
- (iii) an overseas-travel fee or a fixed attendance fee.

The fee to the Board for Board membership and board committee membership must be approved annually at the Company's annual general meeting based upon a proposal from the Board.

The Chair's fee is 3.0 times and the Deputy Chair's fee is 2.0 times the fee of the ordinary Board members.

The members of the board committees will receive an additional fee for each board committee membership. The Chair of each board committee may receive a higher fee.

For the financial year 2025 (the first year of operation after the revised Remuneration Policy) the illustrative fee levels for the board committees are as follows:

<i>Board Committees</i>	
Chair of the Nomination and Compensation Committee	DKK 240,000
Member of the Nomination and Compensation Committee	DKK 120,000
Chair of the Science, Technology and Investment Committee	DKK 275,000
Member of the Science, Technology and Investment Committee	DKK 150,000
Chair of the Finance, Risk and Audit Committee	DKK 375,000
Member of the Finance, Risk and Audit Committee	DKK 200,000

The Board members' expenses for transportation and housing etc. in connection with Board and board committee meetings shall be reimbursed. In addition to reimbursement of travel expenses, Board members travelling overseas (meaning from the US/Asia to Europe or reverse) to participate in a Board or board committee meeting will receive an overseas-travel fee of USD 5,000 per meeting.

Further, the members of the Board receive a fixed attendance fee for each Board and/or board committee meeting he/she attends. If a Board member receives an overseas-travel fee, the Board member will not receive an attendance fee for the same meeting. When Board meetings and board committee meetings are held in connection, the Board members shall not be entitled to attendance/overseas-travel fees for more than one meeting.

As part of the fixed fee the Board is entitled to receive a number of restricted stock units with a value equivalent to 50% of the cash fee for Board membership to each member of the Board as approved annually at the Company's annual general meeting (the "RSU Fee"). E.g. if the cash fee is DKK 317,000, the RSU Fee shall have a value of DKK 158,500. The number of restricted stock units to be granted to the Chair and the Deputy Chair shall be based on their cash fees, that is the Chair's RSU Fee is 3.0 times and the Deputy Chair's RSU Fee is 2.0 times the RSU fee of the ordinary Board members. Any additional fees, including fees for membership of committees, shall not be included in the calculation of the RSU Fee. The number of restricted stock units is calculated by dividing the RSU Fee by the price of the Company's shares. The price of the Company's shares is calculated on the basis of an average of the closing price over a period of 15 trading days after the date of grant of the restricted stock units, however, if the Company has inside information at the time of grant, the 15 trading day period for calculating the price shall begin on the date after the publication of such inside information. The price shall, however, not be lower than the price calculated over the period of 15 trading days after the date of grant. The acquisition of restricted stock units may e.g. be conditional upon the recipient not having passed away prior to the expiry of at minimum a full three-year period after the date of grant. The Board members are not entitled to receive matching shares. The Board members shall not be entitled to dispose of the RSUs prior to the expiry of at minimum a full three-year period after the date of grant.

2.2. Remuneration of the Executive Management

Remuneration of the Executive Management consists of the following:

- (i) fixed base wage, pension contribution, company car, relocation expenses, housing allowance, certain other benefits and post-employment compensation;
- (ii) cash bonus schemes, including remuneration for achieving certain milestones within certain deadlines; and
- (iii) share-based incentive schemes.

The Board is of the view that the combination of a fixed base wage, a cash bonus scheme, including the possibility to remunerate the achievement of certain milestones as defined by the Board, and participation in share-based incentive schemes supports the objectives of the remuneration policy.

2.2.1. Base wage and benefits

The base wage of the Executive Management comprises a fixed annual wage. In addition, the Executive Management may receive non-cash compensation such as education, health insurance coverage, company car, company phone, internet and allowances for relocation expenses. An Executive not living in his/her home country may receive housing allowances or compensation for housing expenses or the Company may provide for living accommodation (provided the market value of the house/apartment at the time of first occupancy by the Executive does not exceed DKK 12 million).

The Executive Management's expenses for work-related travel, conferences etc. are reimbursed.

2.2.2. Cash bonus scheme

The Board has assessed that incentive remuneration in the form of cash bonus can be advantageously offered to the Executive Management for the purpose of, within a short timeline, promoting specific and measurable results within the business area and business strategy, as well as long-term interests and sustainability on which Executive Management has an influence. Such results may be linked to i.a. financial, non-financial, operational and/or strategic performance criteria targets.

The cash bonus schemes consist in annually determining the maximum bonus that can be paid to the Executive Management if the targets for that year are met. The maximum cash bonus corresponds to 12 months' fixed base wage as of the end of the latest financial year (the "Annual Fixed Base Wage") but as set out below, separate bonus agreements may apply in exceptional cases.

Performance criteria for the Executive Management are set by the Board. Bonus targets are set in the fourth quarter for the following year but can, in exceptional cases, be linked to targets, which extend over a longer period of time, e.g. to contribute to the Company's business strategy, long-term interests and/or sustainability. The size of the cash bonus is determined annually by measuring the achievement of the performance criteria set by the Board on the basis of the results included in the Company's annual report for the financial year in question and on the basis of other data relevant to the Board's decision, e.g. internal or external reports regarding the level of achievement of the specific performance criteria.

The Board may decide to postpone the payment of all or part of an achieved cash bonus for a period of at minimum three full years, converting the postponed bonus into a number of restricted stock units and matching shares. Guidelines for conversion of cash bonus into restricted stock units and matching shares are set out below in section 2.2.3.2. The value of matching shares is not included when calculating if the maximum cash bonus (Annual Fixed Base Wage) has been reached, as matching shares are considered compensation for the postponement of the payment of part of the cash bonus.

In exceptional cases, separate agreements may be entered into with members of the Executive Management, which can result in payment of a bonus of up to an additional Annual Fixed Base Wage for that member of the Executive Management. Such agreements can be entered into for a given event, e.g. the Executive Management's continued employment up to a given time either defined by date or a period after the occurrence of a given event or in connection with sign-on compensation (e.g. to compensate for the loss

which a new member of the Executive Management may suffer in terms of loss of warrants, stock options, RSUs, bonus etc.) as a result of taking the new position with the Company.

2.2.3. Share-based incentive schemes

The Board has assessed that incentive remuneration in the form of share-based schemes can be advantageously offered to the Executive Management with the purpose of promoting and achieving long-term goals and strategies for the Company, as well as sustainability, and thereby contributing to the Company's development and growth.

Share-based schemes consist of (i) the grant of restricted stock units free of charge and (ii) conversion of cash bonus to restricted stock units.

2.2.3.1. Restricted stock units

The total value of restricted stock units granted to Executive Management must not, at the time of the grant, exceed a value equal to that person's Annual Fixed Base Wage. The value of such restricted stock units is calculated by dividing that person's Annual Fixed Base Wage by the price of the Company's shares. The price of the Company's shares is calculated on the basis of an average of the closing price over a period of at least 10 and no more than 30 trading days within a period of three months prior to the date of grant of the restricted stock units. No matching shares will be issued on the restricted stock units issued under this section 2.2.3.1.

The acquisition of restricted stock units granted to Executive Management will be subject to prior fulfilment of KPI's as determined by the Board of Directors, to be measured over a three-year performance period from grant, i.a. financial, non-financial, operational, strategic and/or sustainability performance criteria indicators. Performance will be determined by the Board of Directors at the end of the three-year performance period against the degree of achievement of the KPI's, and the number of shares, if any, will be adjusted in accordance with the performance and released to Executive Management. The Board of Directors has the discretion to adjust performance targets for any exceptional events that may occur during the year. The use of any discretion will be disclosed in the Annual Remuneration Report. Executive Management shall not be entitled to dispose of the restricted stock units prior to the expiry of at minimum a full three-year period after the date of grant.

The right to receive restricted stock units in connection with termination of employment shall be primarily regulated by the good leaver/bad leaver provisions of the original Danish Stock Option Act from 2004, or on other conditions as the Board of Directors may decide from time to time.

Grants of restricted stock units in a given year to a member of the Executive Management shall include a cap in order that the total value of the shares that can be acquired under the restricted stock units covered by such grants (the "value") does not at the time of acquisition exceed an amount equivalent to DKK 50 million for the CEO and DKK 30 million for the CFO. Caps not exceeding DKK 30 million apply to restricted stock unit programs for non-registered Executive Management members. If the value exceeds the cap, the number of shares that can be acquired shall be reduced in order that the value of such shares is within the cap.

Other terms and conditions for company law issues including regulation clauses in connection with changes in the Company's share capital, restructuring, dividend payments, practical issues relating to acquisition of the shares, tax management, etc., must be determined taking into consideration current regulations and in accordance with standard practice for similar schemes in other companies which the Company can be compared to.

2.2.3.2 Conversion of cash bonus into restricted stock units

The Board may decide to postpone for at least 3 years all or part of the payment of a cash bonus achieved by a member of the Executive Management, converting the postponed bonus into a number of restricted stock units. The number of restricted stock units is calculated by dividing the postponed bonus amount by the price of the Company's shares. The price of the Company's shares is calculated on the basis of an average of the closing price over a period of at least 10 and no more than 30 trading days within a period of three months prior to the date of grant of the restricted stock units. The acquisition of restricted stock units may e.g. be conditional upon the recipient not having passed away prior to the expiry of at minimum a three-year period after the date of grant.

As compensation for the postponement of the payment of cash bonus due to conversion into restricted stock units, the members of Executive Management whose cash bonus is converted into restricted stock units will be granted additional restricted stock units free of charge on expiry of at minimum a three-year period (so-called "matching shares"), provided the member of Executive Management has not passed away and is still employed at the time of the grant of the matching shares. One matching share will be granted for each two acquired restricted stock units. Consequently, if the recipient has acquired 10 restricted stock units, he/she will receive 5 additional matching shares free of charge. In special circumstances, it will be possible to agree on the grant of 1 matching share for each acquired restricted stock unit provided performance criteria set by the Board are met. The number of such extra matching shares to be granted is determined by the Board by measuring the achievement of the performance criteria set by the Board on the basis of the results included in the Company's annual report for the financial year(s) in question and on the basis of other data relevant to the Board's decision, e.g. internal or external reports regarding the level of achievement of the specific performance criteria.

Additionally, in exceptional cases, separate agreements may be entered into with Executive Management, which can result in grant of restricted stock units with a value at the time of grant of up to an additional Annual Fixed Base Wage. In addition to the restricted stock units, Executive Management may be granted matching shares (cf. above) free of charge on expiry of a period after the grant of the restricted stock units as determined by the Board, provided the performance criteria set by the Board are met (e.g. continued employment up to a given time) and provided the member of Executive Management has not passed away and is still employed at the time of the grant of the matching shares. Typically, such agreements would be expected to be entered into for a given event, e.g. the Executive Management's continued employment up to a given time either defined by date or a period after the occurrence of a given event, or in connection with sign-on compensation (e.g. to compensate for the loss which a new member of the Executive Management may suffer in terms of loss of warrants, stock options, RSUs, bonus etc.) as a result of taking the new position with the Company. Other terms and conditions, including regulation clauses in connection with changes in the Company's share capital, restructuring, dividend payments, practical issues relating to exercise, the underlying shares, tax management, etc., must be determined taking into consideration current regulations and in accordance with standard practice for similar schemes in other companies which the Company can be compared to.

3. Miscellaneous

3.1. Duration of contracts

Board members are elected for one year at a time by the shareholders at the general meeting.

Contracts with members of Executive Management are open ended. The termination periods on the part of the Company may be up to 18 months and may be prolonged to up to 24 months in case of change of control situations, and periods during which severance payment can be made may be up to 12 months, provided, however, that the total payment of termination pay and severance pay may not exceed an amount equivalent to more than 2 years' remuneration including all remuneration elements. The termination periods on the part of the Executive Management is 6 months.

The main characteristics of supplementary pension schemes or early retirement schemes and payments linked to termination must be competitive and comparable to remuneration in other Danish and international enterprises which the Company naturally compares to.

3.2. Derogation from the remuneration policy

The Board may in exceptional circumstances derogate from the remuneration policy if the Board assesses that a derogation is necessary to support the long-term interests of the Company, including the sustainability of the Company and its business. The elements that may be derogated from concern only the Executive Management and include (i) design of other share-based schemes using call options or the like in compliance with this remuneration policy and where the exercise price and the value of such share-based schemes must be determined based on principles similar to those applicable to the restricted stock units, and (ii) the notice of termination period.

Any proposal to derogate from the remuneration policy shall be decided by the Board upon a recommendation from the Nomination and Compensation Committee to the Board and a derogation shall be disclosed in the Remuneration Report.

3.3. Claw back

The Board may decide that payment of variable remuneration in the form of cash bonus or share-based incentives (including restricted stock units and matching shares) are subject to recovery or "claw back" by the Company, provided the variable remuneration was paid on the basis of data which the Board subsequently finds to have been incorrect and provided this is in accordance with Danish law.

3.4. Review and approval of the remuneration policy etc.

The establishment, review and implementation of this remuneration policy is based on recommendations from the Nomination and Compensation Committee to the Board. It is the Board's assessment that no conflicts of interest in connection with the determination of the remuneration policy exist as the Board's total remuneration is subject to vote by the Company's shareholders at a general meeting, and as the remuneration of the Executive Management is determined by the Board upon recommendation from the Nomination and Compensation Committee, a sub-committee of the Board that relies on national and international market practice on the question of remuneration of the Executive Management.

Any changes to this remuneration policy proposed by the Board will be submitted for approval by the Company's shareholders at a general meeting.

This remuneration policy has been dealt with and approved in its entirety at the Annual General Meeting of the Company on April 9, 2025, and will be in force until the general meeting decides to change the guidelines. However, the remuneration policy must be submitted for approval by the Company's shareholders at a General Meeting at least every four years and upon any material changes thereto.

Appendix - summary of material changes to be approved at the Annual General Meeting on 9 April 2025

In section 2.1 it is proposed (i) that the remuneration for the Deputy Chair of the Board of Directors is increased from 1.8 to 2.0 times the annual base fee of the ordinary members of the Board of Directors, (ii) that the fee to the board committees will be amended in order to reflect different fee levels for different board committees and (iii) the Chairs of the board committees may receive a higher fee as decided by the general meeting. With respect to the calculation of the number of RSUs to be granted to the Board it is proposed to state in the Remuneration Policy that if the Company has inside information at the time of grant, the 15 trading day period for calculating the price of the Company's shares shall begin on the date after the publication of such inside information. The price shall, however, not be lower than the price calculated over the period of 15 trading days after the date of grant.

In section 2.2.3, including subsections, it is proposed (i) that Executive Management may no longer be granted warrants and (ii) that a three-year performance period shall apply to the grant of Restricted Share Units as part of the long-term incentive program for Executive Management (including thereto necessary consequential amendments).

Finally, it is further proposed, in section 2.2.3, including subsections, that (i) Executive Management's performance will be determined by the Board of Directors at the end of the three-year performance period against the degree of achievement of the KPI's, the number of shares, if any, will be adjusted in accordance with the performance and released to Executive Management, and (ii) the Board of Directors has the discretion to adjust performance targets for any exceptional events that may occur during the year.

No other material changes were made at the Annual General Meeting on 9 April 2025.