



Bavarian Nordic A/S - Notice Convening Ordinary General Meeting

KVISTGAARD, Denmark, March 27, 2015 - Pursuant to Articles 10-14 of the Articles of Association, the shareholders of Bavarian Nordic A/S are hereby convened to the annual General Meeting to be held on

Thursday, April 23, 2015 at 4.00 PM CET

at Comwell Borupgaard, Nørrevej 80, DK-3070 Snekkersten, Denmark with the following agenda:

- 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 obligations.
- 5) Election of Members to the Board of Directors.
- 6) Election of Auditors.
- 7) Any proposal from the Board of Directors or shareholders.

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The Board of Directors has proposed the following resolutions:

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- a. Proposal to amend Article 6 of the Articles of Association so that the Company's shares are changed from being issued to the bearer to being issued in the name of the holder. The background for the proposal is that it is contemplated politically to repeal the possibility of issuing new bearer shares, which, inter alia, may have consequences for the Board of Directors' possibility to exercise its authorisation to increase the company's share capital as set out in Article 5a of the Articles of Association, the Board of Directors' possibility to exercise its authorisation to issue warrants as set out in Article 5b of the Articles of Association and the Board of Directors' possibility to exercise its authorisation to obtain loans against issue of convertible notes which gives the right to subscribe for shares in the Company as set out in Article 5c of the Articles of Association. In continuation hereof, the wording in Appendix 1 of the Articles of Association will be revised accordingly.
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- b. Proposal to adopt a remuneration policy including changing the general guidelines for incentive remuneration of the Board of Directors and the Executive Management.
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- c. Proposal to 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 a total of nominally DKK 27,700,000 until 30 June 2016.
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- d. Proposal to amend the authorisation of the Board of Directors in Article 5b of the Articles of Association, so that the Board of Directors is no longer authorised to issue warrants to members of the Board of Directors as a consequence of the proposed changes to the general guidelines for incentive remuneration of the Board of Directors and Board of Management (see item 7b of the agenda). Further, the Board of Directors proposes to increase and extend the authorisation of the Board of Directors, so that the Board of Directors 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 until 31 December 2016.

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- e. Proposal to approve remuneration of the Board of Directors and the Board Committees for the current financial year.
- f. Proposal to authorise the Board of Directors to purchase own shares.

Elaboration on selected items of the agenda:

Re 5) Election of Members of the Board of Directors

The Board of Directors proposes that Gerard van Odijk, Claus Bræstrup, Anders Gersel Pedersen, Erik G. Hansen and Peter Kürstein are re-elected.

The Recommendations on Corporate Governance recommend that at least half of a company's board members elected by the General Meeting should be independent of the company. All of the nominated candidates are considered independent and as such, the Board of Directors will continue to meet the recommendation, if re-elected.

The members of the Board of Directors are as follows:

Gerard van Odijk

Dr van Odijk is former CEO of Teva Pharmaceuticals Europe B.V. and is currently an independent adviser for pharmaceutical companies. Dr van Odijk is a member of the Board of Directors of UDG Healthcare plc. and Alvogen Lux Holdings SARL. Dr van Odijk's special competencies are his scientific qualifications and his extensive executive background from international listed companies within the pharmaceutical industry.

Claus Bræstrup

Dr Bræstrup is former President and CEO of H. Lundbeck A/S. Chairman of the Board of Directors of Saniona AB and Saniona ApS and a member of the Board of Directors of Evolva Holding SA, Gyros AB and Evotec AG. Dr Bræstrup's special competencies are his scientific qualifications and his extensive executive background from international listed companies within the pharmaceutical industry.

Anders Gersel Pedersen

Dr Pedersen is Executive Vice President of Research & Development of H. Lundbeck A/S. Deputy Chairman of Genmab A/S and a member of the Board of Directors of ALK-Abelló A/S. Dr Pedersen is also a member of the European Society of Medical Oncology, the International Association for the Study of Lung Cancer, the American Society of Clinical Oncology, the Danish Society of Medical Oncology and the Danish Society of Internal Medicine. Dr Pedersen's special competencies are his scientific qualifications and his extensive executive and board member background from international listed companies within the pharmaceutical and biotech industries.

Erik G. Hansen

Mr Hansen is CEO of Rigas Invest ApS. Chairman of the Board of Directors of Pre-Seed Innovation A/S, Polaris Management A/S and TTIT Ejendomme A/S. Member of the Board of Directors of Bagger-Sørensen & Co. A/S (Deputy Chairman) and six subsidiaries, Bagger-Sørensen Fonden, Lesanco ApS, Ecco Sko A/S, OKONO A/S, PFA Holding A/S, PFA Pension Forsikringsaktieselskab, TTIT A/S, Wide Invest ApS and Aser Ltd. In addition, Mr Hansen is a member of the Executive Boards of Rigas Invest ApS, BFB ApS, Tresor Asset Advisers ApS, Berco ApS, Polaris Invest II ApS and Hansen Advisers ApS. Mr Hansen's special competencies are his thorough understanding of managing finance operations and his experience with listed companies.

Peter Kürstein

Mr Kürstein is President and CEO of Radiometer Medical ApS. In addition, he is Chairman of the Board of Directors of Radiometer Medical ApS and Deputy Chairman of the Board of Directors of FOSS A/S. Furthermore, he is Chairman of the Danish-American Business Forum and the Committee of Healthcare Politics under the Confederation of Danish Industry. Mr Kürstein's special competencies are his extensive executive and board member experience with listed companies within the international healthcare sector and his wide experience with regard to American relations.

Re 6) Election of Auditors

The Board of Directors proposes that Deloitte is re-elected as the Company's auditor.

Re 7a) Proposal to amend Article 6 of the Articles of Association so that the Company's shares are changed from being issued to the bearer to being issued in the name of the holder.

The Board of Directors proposes to amend Article 6 of the Articles of Association so that the Company's shares are changed from being issued to the bearer to being issued in the name of the holder. The background for the proposal is that it is contemplated politically to repeal the possibility of issuing new bearer shares, which, inter alia, may have consequences for the Board of Directors' possibility to exercise its authorisation to increase the company's share capital as set out in Article 5a of the Articles of Association, the Board of Directors' possibility to exercise its authorisation to issue warrants as set out in Article 5b of the Articles of Association and the Board of Directors' possibility to exercise its authorisation to obtain loans against issue of convertible notes which gives the right to subscribe for shares in the Company as set out in Article 5c if the Articles of Association.

The proposal entails amending Article 6 of the Articles of Association to:

"All shares shall be registered in the names of the holders and shall be entered in the Company's register of shareholders. The shares shall be negotiable instruments and there shall be no restrictions as to their transferability."

Furthermore, as a consequence of the amendment of Article 6 of the Articles of Association, the Board of Directors proposes to amend the wording *"The new shares shall be negotiable instruments and shall be issued to the bearer, but they may be registered in the bearer's name in the Company's register of shareholders"* in Article 5c(3) in Article 5c of the Articles of Association to *"The new shares shall be negotiable instruments and shall be registered in the names of the holders and shall be entered in the Company's register of shareholders"*.

In continuation hereof, the wording in Appendix 1 of the Articles of Association will be revised accordingly.

Re 7b) Proposal to adopt a remuneration policy including changing the general guidelines for incentive remuneration of the Board of Directors and the Executive Management

The Board of Directors proposes to change the general guidelines for incentive remuneration of the Board and the Executive Management in Bavarian Nordic A/S, as adopted on the annual General Meeting on 24 April 2014, so that the document becomes an actual remuneration policy, i.e. all element of of the remuneration to the Board of Directors and the Executive Management are described. The general guidelines changes simultaneously, so the Board of Directors exclusively receives remuneration as fixed cash payment.

Re 7c) Proposal to increase and extend the authorisations of the Board of Directors in Article 5a to increase the share capital

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 27,700,000 until 30 June 2016. Furthermore, as a consequence of the amendment of Article 6 of the Articles of Association, the Board of Directors proposes to amend Article 5a of the Articles of Association as follows:

"Subsection 1

For the period ending on 30 June 2016, 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 27,700,000 (2,770,000 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 2016, 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 27,700,000 (2,770,000 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 27,700,000 (2,770,000 shares of DKK 10 each)."

Re 7d) Proposal to amend the authorisation of the Board of Directors in Article 5b of the Articles of Association, so that the Board of Directors is no longer authorised to issue warrants to members of the Board of Directors as a consequence of the proposed changes to the general guidelines for incentive remuneration of the Board of Directors and Board of Management (see item 7b of the agenda). Further, the Board of Directors proposes to increase and extend the authorisation of the Board of Directors, so that the Board of Directors 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 until 31 December 2016.

The Board of Directors proposes amending the authorisation of the Board of Directors in Article 5b of the Articles of Association, so that the Board of Directors is no longer authorised to issue warrants to members of the Board of Directors as a consequence of the proposed changes to the general guidelines for incentive remuneration of the Board of Directors and Board of Management (see item 7b of the agenda). Further, the Board of Directors proposes increasing and extending the authorisation of the Board of Directors, so that the Board of Directors 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 until 31 December 2016. The Board of Directors also proposes authorising the Board of Directors 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 2020 as well as amending Article 5b of the Articles of Association accordingly. Furthermore, as a consequence of the amendment of Article 6 of the Articles of Association, the Board of Directors proposes to amend Article 5b of the Articles of Association as follows:

"During the period ending 31 December 2016, 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 (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 2020 to increase the share capital by a nominal value of up to DKK 6,000,000 (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 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."

Re 7e) Proposal to approve remuneration of the Board of Directors and the Board Committees for the current financial year

The Board of Directors proposes to set the annual fee to the members of the Board of Directors for the financial year 2015 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).

In addition, the Board of Directors expect to set up an audit committee and a nomination and compensation committee. 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 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, that the Company pays the travelling expenses incurred by the foreign board members in connection with board- and/or committee meetings, and that any social costs associated with the remuneration of the Board of Directors and the board committees is covered by the Company.

Re 7f) Proposal to authorise the Board of Directors to purchase own shares

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 OMX Copenhagen A/S at the time of acquisition. The bid rate shall be the closing rate at NASDAQ OMX 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."

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Majority requirements

Adoption of the proposals referred to in items 1, 2, 3, 4, 5, 6, 7a, 7b, 7e and 7f requires a simple majority of votes.

Adoption of the proposals referred to in items 7c and 7d requires a special majority, cf. Section 106 of the Danish Companies Act and Article 16 of the Articles of Association. According to this, the adoption of such proposals requires the affirmative votes of at least two-thirds of the votes cast as well as at least two-thirds of the votes represented at the General Meeting.

Participation, admission cards and voting rights

Shareholders who wish to attend the General Meeting must order admission cards no later than on April 20, 2015 at 4.00 PM CET in accordance with Article 11 of the Articles of Association. Please be informed that attendance requires ordering an admission card prior to the General Meeting.

Admission cards will be provided to shareholders who are entitled to attend and vote at the General Meeting. Anyone who is registered as a shareholder in the register of shareholders on the date of registration, April 16, 2015, or who has made a request to such effect by that date is entitled to attend and vote at the General Meeting.

Admission cards may be ordered electronically from www.bavarian-nordic.com/agm or by downloading and printing the order form, which is available on the company's website. The form should be duly completed and submitted to info@bavarian-nordic.com or by ordinary mail to Bavarian Nordic A/S, Hejreskovvej 10A, DK-3490 Kvistgård, Denmark. Admissions cards may also be ordered by telephone: +45 3326 8383, or by fax: +45 3326 8380.

The ordered admission cards will to the extent possible be forwarded to the shareholders prior to the General Meeting. Admission cards, which have been ordered in due time, but which have not been received by the shareholder prior to the General Meeting, will be handed out at the entrance to the General Meeting upon the shareholder showing identification (for example a passport or driver's license).

A voting ballot will be handed out with the admission card specifying the number of votes of each shareholder.

Voting by proxy

Shareholders may vote by proxy. An instrument of proxy issued to the Board of Directors of the Company may only concern a specific General Meeting with an agenda that is known in advance. Shareholders may notify the Company electronically of the appointment of a proxy at www.bavarian-nordic.com/agm or by completing and submitting a written proxy form that can be downloaded on the company's website. The form may be submitted as mentioned above and must be received by the Company no later than April 20, 2015 at 4 PM CET. The proxy holder may also provide a written and dated instrument of proxy at the General Meeting.

Postal voting

It is also possible for shareholders to vote by post. Postal votes can be submitted electronically via www.bavarian-nordic.com/agm or by completing and submitting a postal voting form that can be downloaded on the company's website. The form may be submitted as mentioned above and must be received by the Company no later than April 20, 2015 at 4 PM CET. Once the postal vote has been received by the Company, the vote cannot be revoked by the shareholder.

Written questions

Shareholders may submit questions in writing to the Company regarding the agenda, the documents to be presented at the General Meeting or the general position of the Company. Questions may be submitted by post or e-mail to info@bavarian-nordic.com. Questions will be answered at the General Meeting.

Language

Representatives of the Company will conduct the General Meeting in English. Shareholders may choose whether to speak in Danish or in English. During the meeting, simultaneous interpretation from English to Danish and Danish to English will be available.

Information on the website

The following documents and information will be available on the Company's website at www.bavarian-nordic.com/agm from March 27, 2015 to April 23, 2015 (both days included): 1) The notice convening the General Meeting; 2) The total number of shares and voting rights as at the date of the convening notice; 3) All documents to be submitted to the General Meeting, including the annual report for 2014 containing the audited annual and consolidated accounts etc.; 4) The agenda and the full text of all proposals to be submitted to the General Meeting; and 5) Postal and proxy voting forms.

Share capital

The Company's share capital amounts to DKK 277,319,930 divided into shares in the denomination of DKK 1 and multiples thereof. Each share of a nominal value of DKK 10 gives one vote.

Gerard van Odijk
Chairman of the Board

Contacts

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About Bavarian Nordic

Bavarian Nordic is a biopharmaceutical company focused on the development and manufacturing of cancer immunotherapies and vaccines for infectious diseases. Through a long-standing collaboration with the U.S. Government, Bavarian Nordic has developed a portfolio of biological countermeasures, including the non-replicating smallpox vaccine, IMVAMUNE®, which is stockpiled for emergency use by the U.S. and other governments. The vaccine is approved in the EU (under the trade name IMVANEX®) and in Canada. Bavarian Nordic and its partner Janssen are pioneering the development of an Ebola vaccine, which has been fast-tracked by authorities in response to the current situation in West Africa. Additionally, in collaboration with the National Cancer Institute, Bavarian Nordic has developed a portfolio of active cancer immunotherapies based on its versatile pox-virus based technologies, including PROSTVAC®, which is currently in Phase 3 clinical development for the treatment of advanced prostate cancer. The company has partnered with Bristol-Myers Squibb for the potential commercialization of PROSTVAC. For more information visit www.bavarian-nordic.com or follow us on Twitter [@bavariannordic](https://twitter.com/bavariannordic).

Forward-looking statements

This announcement includes forward-looking statements that involve risks, uncertainties and other factors, many of which are outside of our control that could cause actual results to differ materially from the results discussed in the forward-looking statements. Forward-looking statements include statements concerning our plans, objectives, goals, future events, performance and/or other information that is not historical information. We undertake no obligation to publicly update or revise forward-looking statements to reflect subsequent events or circumstances after the date made, except as required by law.