

Minutes from the Annual General Meeting 2015 in Bavarian Nordic A/S

On 23 April 2015 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 399 of the Company's shareholders representing nominally DKK 76,408,330 of the shares and the corresponding number of votes or 27.6% of the Company's share capital of nominally DKK 277,319,930. 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 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.
- b) Proposal to adopt a remuneration policy including changing the general guidelines for incentive remuneration of the Board of Directors and the Executive Management.

- c) Proposal to extend the authorisation 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.
- 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.
- 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.

8. Any other business

re 1, 2, 3 and 4:

Gerard van Odijk, chairman of the Board of Directors, presented the report of the Board of Directors for 2014. 2014 has been a good year for Bavarian Nordic where the Company exceeded its financial and operational expectations. The Company received commercial validation through two significant agreements with industry leaders regarding the MVA-BN technology for Ebola vaccine and the VF-TRICOM prime-boost technology for cancer immunotherapies. Multi-product manufacturing has been established in Kvistgaard.

Gerard van Odijk reviewed the basis for the Company and its value-adding assets, including one approved product, seven active programs, two phase 3 programmes, the flexible GMP manufacturing facility in Kvistgaard, and the track record of collaboration with international players such as Janssen (owned by Johnson & Johnson) and Bristol-Myers Squibb, and the development funding and collaboration with the US Government.

Gerard van Odijk described the new governance set-up established by the Board with two committees and the new leadership which is in place and has already shown strong results. Following its discussions with some of the major shareholders, the Board recommends payment of a fixed fee to the Board rather than a combination of a fixed fee and warrants. Attendance fees should only be paid for physical meetings - not for telephone meetings.

Gerard van Odijk remembered the audience of the fact that the Company operates in the risky biotech industry, but found that the Company is in a strong position with a positive cash flow and a balanced pipeline with good commercial foundation and PROSTVAC in phase 3.

Paul Chaplin, CEO, reviewed the highlights in 2014 and in the first part of 2015, noting that the US Government had exercised its USD 118m option for an additional 4 million doses of IMVAMUNE and a USD 22m option for the freeze-dried version. He further noted that IMVAMUNE orders, including options totalling 500,000+ doses, have been ordered from Canada. He mentioned the license and supply agreement with Janssen relating to the Ebola vaccine, emphasising also that clinical studies have been initiated, the PROSTVAC phase 3 study has completed enrolment, and the global PROSTVAC agreement has been entered into with Bristol-Myers Squibb. Paul Chaplin presented the Company's five key independent value drivers and described the status of IMVAMUNE and the contracts with the US government, including a USD 95m contract with the US Government to develop freeze-dried IMVAMUNE. As for PROSTVAC, phase 3 was fully enrolled in December 2014. Paul Chaplin reviewed the

overall terms of the PROSTVAC agreement with Bristol-Myers Squibb and the Ebola agreement with Janssen, and presented the CV-301 vaccine project which can be applied against several cancer targets, the RSV vaccine candidate, and the clinical pipeline.

Ole Larsen, CFO, presented the annual report for 2014 and reviewed the financial highlights for 2014, the development of the revenue and the results from 2010 to 2014 and the financial outlook for 2015, including an overview of selected anticipated milestones. Ole Larsen finished his presentation by providing an overview of the development of the Bavarian Nordic share in the period since 2012 and showed the shareholders' return on investment in Bavarian Nordic shares during that period.

Claus Berner Møller, ATP, initially thanked the Board of Directors and the Executive Management for its review and presentation of the annual report and for the outstanding results achieved during the past year as reflected first in the Ebola agreement and then in the PROSTVAC agreement which was made on fine financial terms and with a good partner. Claus Berner Møller reminded the general meeting of previous years where the Company had been in difficulties and said that the current success in his view was the result of a focused effort. Claus Berner Møller also indicated that there are likely to be projects in need of further resources and was confident that the management would invest wisely in these. Claus Berner Møller agreed with the proposal to start remunerating the Board of Directors otherwise than by warrants and supported the other proposals put on the agenda by the Board of Directors. Finally, Claus Berner Møller thanked the Board of Directors and the Executive Management and looked forward to continuing the good dialogue.

Michael Thøgersen, Dansk Aktionærforening (Danish Shareholders' Association) said that it was a great pleasure for him to congratulate the Company on the results achieved during the last year, including the agreement with Johnson & Johnson's subsidiary Janssen Pharmaceuticals about the development of an Ebola-vaccine and the agreement with Bristol-Myers Squibb about further development and commercialization of PROSTVAC. He found this to be a recognition of paramount proportions and importance.

Michael Thøgersen raised a number of questions regarding which contracts had been included in the outlook for 2015, what it means that all known external USD exposure is hedged, whether the ADR-program had resulted in changes in the geographic distribution of shareholders. Michael Thøgersen expressed hope that the Company had not sold the crown jewels, being the patents owned by the Company, and asked when final analysis of PROSTVAC is expected.

Paul Chaplin and Ole Larsen answered the questions raised. Ole Larsen mentioned that the guided revenue and result for 2015 are inclusive of the revenue from ongoing research and development contracts, that all signed contracts are included in the calculation of the USD exposure, and that all surplus USD is sold against DKK. As for changes in the distribution of shareholders Ole Larsen mentioned that the geographical distribution of shareholders had somewhat changed during the last six months, but that this is primarily due to the approximately 5% stake that Johnson & Johnson acquired in connection with the Ebola agreement and to a lesser degree due to the ADR program, but that there has been more activity in the ADR program during the last six months.

Paul Chaplin mentioned that the patents covering the vaccine platforms MVA-BN and VF-TRICOM prime boost have together with the data created much of the value of the two assets partnered to Janssen and Bristol-Myers Squibb. However, the extensive patent portfolio for the vaccine platforms is still applicable to other in-house programs or other potential collaborations and is as such retained for other partnering deals for other indications for infectious diseases or cancer. As to the PROSTVAC phase 3 study, Paul Chaplin mentioned that the Company has not published anything indicating when final analysis is expected. External experts in the field predict that full data read out in such projects could occur 18-24 months post finalization of recruitment. However, interim analyses have also been agreed with the FDA so the Company does not know when final analysis will take place.

Michael Voss, Fundamental Invest, thanked the Executive Management and the Board of Directors for their outstanding performance during the past year. Not only had they been able to realise long-term projects; they had also acted quickly and seized the opportunity that arose in connection with the Ebola contract. Michael Voss finally expressed his confidence in the Board of Directors and the Executive Management.

The general meeting adopted the report of the Board of Directors, approved the annual report and the proposal to carry forward the profit 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 Chairman informed the meeting about the managerial posts held by the candidates in other Danish and foreign-owned enterprises, other than wholly-owned subsidiaries.

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

re 6:

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

re 7a:

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 of 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.

The Chairman reviewed the proposal.

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

re 7b:

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. an element 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.

The Chairman reviewed the proposal.

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

re 7c:

The Board of Directors proposes to increase and extend the authorisation 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 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 share, 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 no 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 no 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).

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.

re 7d:

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 or 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".

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.

re 7e:

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 (but not for meetings by telephone), 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.

The Chairman reviewed the proposal.

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

re 7f:

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."

The Chairman reviewed the proposal.

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

re 8:

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