



BAVARIAN NORDIC

## Minutes from the Annual General Meeting 2019 in Bavarian Nordic A/S

On 24 April 2019 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 shareholders representing nominally DKK 54,327,510 of the shares and the corresponding number of votes or 16.81 % of the Company's share capital of nominally DKK 323,105,650. 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. Any proposal from the Board of Directors or shareholders

The Board of Directors had 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 until 30 June 2020 is authorised to increase the share capital of the company by nominally DKK 32,310,560, corresponding to 10% of the Company's share capital.
- 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 2020 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. Warrants may not be granted to members of the Company's Board of Directors but only to members of the Executive Management and to employees of the Company or The Company's subsidiaries.
- c. Proposal to amend the Remuneration Policy including the general guidelines for incentive remuneration of the Board of Directors and the Executive Management.
- 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 purchase own shares.
- f. Proposal to align the Danish terminology of the Company's Articles of Association so that the word "ejerbog" (in English "register of shareholders") is used instead of the word "aktiebog". The proposal entails adjustments of Articles 8, 10, 11 and exhibit 1.

- g. Proposal to amend Article 10, subsection 4 of the Articles of Association so that the obligation to convene General Meetings by publication in the IT information system of the Danish Business Authority is omitted.

6. Election of Members to the Board of Directors;

7. Election of Auditors;

Re 1, 2, 3 and 4:

Gerard van Odijk, chairman of the Board of Directors and Paul Chaplin, CEO and Henrik Juuel, CFO presented the report of the Board of Directors for 2018 and the accounts for 2018 as well as guidance for 2019.

Gerard van Odijk presented the board, the CEO and the new CFO Henrik Juuel, who joined the company in the autumn 2018 and has broad industry experience from the pharma and medtech industry. Gerard van Odijk mentioned that during 2019 Bavarian Nordic will be celebrating its 25th anniversary.

Thereafter Gerard van Odijk mentioned that in 2018 Bavarian Nordic met all its operational goals and financially slightly exceeded its expectations. Recognizing that Bavarian Nordic is in a transitional period focus was on strengthening the foundation, including investing in a fill and finish facility which will bring Bavarian Nordic into the elite of vaccine manufacturing. The facility will help to secure future revenues from the contracts with the U.S. Government, while also expanding Bavarian Nordics commercial opportunities. The partnership with the U.S. Government continued to evolve and Bavarian Nordic was awarded a contract for an encephalitis vaccine to strengthen the U.S. biological preparedness. Further Bavarian Nordic concluded the Phase 3 program for the liquid-frozen version of its smallpox vaccine and submitted its first-ever BLA to the U.S. regulatory authorities. The BLA was successfully accepted with priority review and Bavarian Nordic look forward to the anticipated approval later in 2019. The Janssen partnership also progressed with the first of three indications now having entered clinical trials. Innovation continues to drive growth in Bavarian Nordics pipeline, and Gerard van Odijk mentioned that he had been pleased to report several strong results from the RSV program, which has now concluded Phase 2. In the immuno-oncology pipeline, four Phase 2 studies were initiated by Bavarian Nordic and its partners.

Gerard van Odijk reviewed a share graph comparing the Bavarian Nordic stock with the Nasdaq OMXC25 index and the Nasdaq Biotech index since the last general meeting. Gerard van Odijk mentioned that for quite some time Bavarian Nordic had outperformed the market, and the share stayed in a positive momentum for almost a half year, when markets globally began to decline, and this continued for the remainder of the year. Gerard van Odijk mentioned that difficult markets always will impact risk investments like biotech the most, and this also adversely affected the Bavarian Nordic share. Gerard van Odijk expressed that he was happy to see that 2019 has taken off with a positive trend also in the Bavarian Nordic share, and mentioned that he believes the market understands that Bavarian Nordic is in a transitional period with lower revenues and making necessary investments to expand the opportunities and secure future growth.

Gerard van Odijk reviewed the work in the board and its meetings during the year. The board has established two subcommittees in the board, which are charged with reviewing issues pertaining to their respective fields that are due to be considered at board meetings. The evaluation process has shown that there has been a fruitful collaboration in the board and with its subcommittees throughout the year and also in its collaboration with the executive management. The results of the annual evaluation of the board, which was facilitated by an external consultant, was positive with a continued satisfaction with the Board's work as well as the work in the committees. The evaluation showed that the board possesses the right qualifications to support the strategy of Bavarian Nordic, such as international experience from big pharma and specialty pharma as well as specific competences within research and development, strategy and operations and legal and finance matters. Gerard van Odijk mentioned that continued optimization of Board meeting structures also will be a focus area in 2019.

To strengthen the board further Gerard van Odijk mentioned that he is pleased to recommend Ms. Anne Louise Eberhard for election to the board. She has more than 30 years' experience from the finance industry and will contribute with valuable insight and experience in financial, risk and audit matters.

Gerard van Odijk mentioned that he is excited about the year to come, where he expects that the anticipated FDA approval of Bavarian Nordic's liquid-frozen version of its smallpox vaccine will mark the successful conclusion of a more than 15-year development of the vaccine in a successful collaboration with the U.S. Government that he anticipated will continue for many years to come. The investment in the fill and finish facility will help to secure future revenues. Further, the partnership with Janssen also continues to evolve, and in addition to the Ebola vaccine program which is in Phase 3 development, clinical trials of the first of three indications has also been initiated. The Janssen partnership represents potential future milestones of \$1B USD, and on top of that royalties from future sales.

Gerard van Odijk finished his presentation by expressing his gratitude to the shareholders for the support, and the employees and executive management for their performance in the year, and the Board of Directors for good cooperation during the past year.

Henrik Juuel, Executive Vice President and CFO of Bavarian Nordic presented the annual report for 2018, where revenue was in accordance with the Company's guidance, and EBIT and cash preparedness better than guided due to lower expenses and investments. The Company had a revenue of DKK 501 million, negative EBIT of DKK 354 million and a cash preparedness at the end of the year at DKK 2,314 million. Henrik Juuel reviewed the split of the revenue for 2018 on smallpox vaccine US and Rest of World sales, amounting to DKK 361 million and R&D Contracts, amounting to DKK 140 million. Henrik Juuel mentioned that the Board of Directors recommend that the result for 2018 which was a loss of DKK 362 million is transferred to next year.

Henrik Juuel finished his presentation by reviewing Bavarian Nordic's financial outlook for 2019, showing expected revenues in the amount of DKK 600 million, split between smallpox US revenue of DKK 320 million and R&D contract revenue of DKK 280 million, an EBIT of minus DKK 360 million and a cash preparedness at year end of DKK 1,600 million. Income from sale of a Priority Review Voucher has not been included in the guidance. Henrik Juuel mentioned that during 2019 the Company will invest approximately DKK 270 million in the fill and finish facility and noted that the Company still has a solid cash position even after substantial investments in the future of the Company both during 2018 and 2019.

Paul Chaplin, CEO and President of Bavarian Nordic, gave a resume of 2018 and reviewed the vision and the strategy. Bavarian Nordic intends to maintain its global leadership of the smallpox vaccine franchise. Bavarian Nordic has secured the largest US Government contract ever for supply of freeze-dried doses of smallpox vaccine and intends to finalize the development of the smallpox vaccine and secure broader sales of the product, which is strategically very important and significant for Bavarian Nordic. Further Bavarian Nordic intends to rapidly advance its pipeline of infectious disease programs, including launch of an RSV vaccine, and advance partnered programs as well as the infectious disease pipeline. Further, Bavarian Nordic intends to establish a broad and deep cancer immunotherapy portfolio by exploring combination therapies with vaccines and standard of care and explore more advanced combinations. Finally, the Company intends to expand the commercial footprint and capabilities by taking advantage of the core manufacturing capabilities and capacity and by building commercial infrastructure to drive profitable growth.

Paul Chaplin reviewed how the Company invests in the future by investing in the fill and finish facility, where investments will peak in 2019 with the construction being finalized and all equipment being installed, and by adding value to the pipeline assets where R&D investments continue. Paul Chaplin mentioned that the company is well prepared for these investments and compared the investments for 2017, 2018 and 2019E with the revenue. Paul Chaplin explained the reason for the reduced revenue.

Paul Chaplin mentioned that Bavarian Nordic is centered around its proprietary rights to MVA-BN, which is a vaccine platform that provide multiple opportunities. Paul Chaplin reviewed the various projects both within cancer, where he referred to CV301, Brachyury and HPV, and infectious diseases, where he referred to RSV, HIV, hepatitis, smallpox and Ebola.

Paul Chaplin reviewed the key pipeline assets within infectious diseases and cancer and the related partnerships. Thereafter Paul Chaplin gave an overview of Bavarian Nordics position as a global leader within smallpox vaccines. MVA-BN is the only non-replicating approved smallpox vaccine in Europe and Canada and the US government contracts awarded to date amounts to a value of nearly DKK 12 billion. Paul Chaplin gave an overview of the future position based on a presentation of the past and the present situation.

Paul Chaplin presented the collaboration with Janssen, where four license agreements are in place. Thereafter, Paul Chaplin presented RSV and the RSV vaccine development where the Company has an RSV vaccine candidate which will be ready for Phase 3 after completing two successful Phase 2 studies. Within cancer immunotherapy the Company is in the process of building and developing a broad immunotherapy portfolio of vaccines, and Paul Chaplin mentioned the pivotal trial of BN-Brachyury in a rare cancer indication, chordoma, where first data are expected in the second half year of 2019, and the three phase 2 trials of CV301 in combination with checkpoint inhibitors where the first data on bladder cancer are expected in the second half year of 2019.

Bavarian Nordic is still investing in the future among others in the fill and finish facility, where the Company will be able to produce up to 8 million freeze-dried and 40 million liquid frozen doses per year. Expansion of the manufacturing facility is a key driver in securing higher smallpox vaccine revenues in the years to come. Further, it will support the establishment of new partnerships.

Paul Chaplin finished his presentation by giving an overall review of the priorities and goals for 2019. Paul Chaplin mentioned that he finds that Bavarian Nordic has an exciting year ahead of it in each of its strategic areas and mentioned among others the anticipated approval of the liquid-frozen version of its smallpox vaccine, in the US with the subsequent award of a priority review voucher. He mentioned that the Company expects to maintain the financial strength by a prudent utilization of cash reserves while laying the basis for future revenues, and further advancement of the diversified pipeline within RSV, CV301 and BN-Brachyury.

Claus Berner Møller, ATP, thanked for the report and mentioned that 2018 had been as expected with slightly better results than guided. Claus Berner Møller mentioned that the Company also has guided negative results for 2019, which he found was a clearly negative surprise after a 2018 where the company had seen its share price drop almost 50%. Claus Berner Møller asked what the shareholders should expect for the coming years and asked whether Bavarian Nordic will return to profitability in 2020 and 2021, excluding the priority review voucher. Claus Berner Møller mentioned that ATP still finds that the infectious disease area is very interesting, but also mentioned that he is more negative towards cancer.

Claus Berner Møller mentioned that he appreciated the flexibility by the board of directors and the clarifications made in the wording of the remuneration policy under item 5 c) and wished the Board of Directors and the management and employees all the best for 2019.

Michael Thøgersen. Dansk Aktionærforening (Danish Shareholders' Association) mentioned that the revenue for 2018 was DKK 500.6 million and with a negative EBIT of DKK 354 million. Even though this was in accordance with the forecast Michael Thøgersen expressed that from a shareholder perspective it was a clear disappointment. Michael Thøgersen noted that the tax on income for the year is stated to be DKK 5.3 million and asked for an explanation of how that could be correct, when the result for the year is negative. In respect of the forecast for 2019 Michael Thøgersen noted that a revenue of DKK 600 million and a loss of DKK 360 million is not appreciated by the stock market, and that the stock price was nearly halved in 2018 but has

regained approximately 19% in 2019. Michael Thøgersen asked for any news about when a milestone payment from Johnson & Johnson referred to earlier was expected and what it comprises. Michael Thøgersen mentioned that in 2017 the most important event had been the discontinuation of PROSTVAC® and asked whether there was any information about progress in the NCI (National Cancer Institute) combination studies with PROSTVAC®. In respect of the expected approval by the FDA of the liquid-frozen version of the MVA-BN smallpox vaccine Michael Thøgersen asked for an explanation of what a priority review voucher is and at what price it is expected to be sold. In respect of the Ebola vaccine Michael Thøgersen asked whether it is correct that this is the product closest to commercialization, and how it is secured financially that the African population will be able to receive treatment. Michael Thøgersen mentioned that there have been some examples lately in this business where the increase in management remuneration has been difficult to explain and justify. He was pleased to note that the remuneration of management in Bavarian Nordic is stable. Michael Thøgersen finished by welcoming Henrik Juuel as new CFO. Thereafter he wished Bavarian Nordic all the best for 2019.

Paul Chaplin and Henrik Juuel commented upon the questions raised by Claus Berner Møller and Michael Thøgersen.

Paul Chaplin mentioned that he could not give other information than the guidance already published and explained the background for the Company's guidance for 2019. He further confirmed that the Company expects a smaller milestone payment in 2019 from the partnership with Johnson & Johnson. Paul Chaplin mentioned that the discontinuation of PROSTVAC® also had been a great disappointment to everybody in Bavarian Nordic, and since then PROSTVAC® has not been part of the pipeline, but the National Cancer Institute is running some combination trials with PROSTVAC®. The data have been presented both at the world's largest cancer conference, ASCO, and in a scientific paper. Paul Chaplin explained what a priority review voucher is. In respect of the Ebola vaccine Paul Chaplin mentioned that it is in Phase 3 and that due to the large outbreak in DR Congo international health authorities are currently discussing how a fast approval of the vaccine can be obtained. Paul Chaplin expected that the financing will be handled by international organizations.

Henrik Juuel mentioned that the Company pay tax in the jurisdictions where it operates, i.e. Denmark, Germany and the US, and that the Company operates its subsidiaries as contract entities working on behalf of the parent company. This is in accordance with international transfer pricing regulations and results in taxable income in the subsidiaries. The tax paid in 2018 all relates to taxes paid by the foreign subsidiaries.

John Frederiksen asked whether other companies continued with PROSTVAC® and whether the know how in the Company relating to PROSTVAC® could be used for other purposes.

Paul Chaplin mentioned that even if Bavarian Nordic no longer invests in PROSTVAC® the Company still maintains certain rights in PROSTVAC® and the National Cancer Institute continues some studies. Paul Chaplin further stated that Bavarian Nordic has obtained a lot of know-how which is being leveraged in other projects. As an example Paul Chaplin mentioned that Bavarian Nordic now concentrates on combination therapies instead of monotherapies, new antigens are being targeted and vaccine dose levels have been changed and further more studies are now designed in a way to receive fast initial response in order that studies can be closed fast if they do not work.

The general meeting noted 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:

- a. The Board of Directors proposed 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 until 30 June 2020 is authorised to increase the share capital of the Company in one or more issues by a total of nominally DKK 32,310,560, corresponding to 10% of the Company's share capital.

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

*"Subsection 1*

*For the period ending on 30 June 2020, 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 32,310,560 (3,231,056 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 2020, 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 32,310,560 (3,231,056 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 32,310,560 (3,231,056 shares of DKK 10 each)."*

The Chairman reviewed the proposal.

Jens Frederik Demant asked why the board of directors need the authorisation when he had understood that Bavarian Nordic has a good cash position.

Gerard van Odijk confirmed that Bavarian Nordic has a solid cash position and that there is no immediate need to exercise the authority, but that it is convenient to have the possibility. Previously the authority has been exercised not only when it has been necessary to increase the cash position, but also in connection with the entering into of new partnership agreements.

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 proposed 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 2020 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 proposed 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 2024. Consequently, Article 5b of the Articles of Association is amended as follows:

*"During the period ending 31 December 2020, 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 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. Warrants may not be granted to members of the Company's Board of Directors (except for employee representatives (if such have been elected) who receive warrants in their capacity as employees of the Company or of the Company's subsidiaries).*

*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 2024 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 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 proposed amendment of the Remuneration Policy including the general guidelines for incentive remuneration of the Board of Directors and the Executive Management in order for the Company to get more flexibility with respect to providing for living accommodation to members of the Executive Management not living in their home country. Additionally, the Board of Directors proposes a few amendments as a consequence of the changes in the Danish Stock Option Act. The amended guidelines can be downloaded from [www.bavarian-nordic.com/agm](http://www.bavarian-nordic.com/agm).

The Chairman reviewed the proposal. The Chairman mentioned that the Board had agreed with one of the larger shareholders to limit the Boards ability to provide for housing to members of Executive Management not living in their home country by adding the words "(provided the market value of the house/apartment at the time of first occupancy by the Executive does not exceed DKK 12 million)" to section 1, subsection 7 of the Remuneration Policy which will thereafter have the following wording:

"The base wage of the Executive Management comprises a fixed annual wage. In addition, the members of the Executive Management may receive non-cash compensation such as education, health insurance coverage, company car, company phone, internet and allowances for reallocation expenses. Members not living in their 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)."

Jens Frederik Demant mentioned that he had reviewed the Remuneration Policy and that he found that the fact that the Board received part of their compensation as incentives in the form of share-based instruments was not in accordance with good corporate governance.

Gerard van Odijk explained the remuneration of both the Executive Management and the Board of Directors. The remuneration to the members of the Board of Directors consists of cash payment and Restricted Stock Units (RSUs), which is in accordance with both the Danish recommendations for good corporate governance and international corporate governance.

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

- d. The Board of Directors proposed to maintain the level of the annual base fee to the members of the Board of Directors for the financial year 2019; (i) the annual base fee to members of the Board of Directors will be DKK 300,000; (ii) the remuneration to the Chairman will be two and a half times the annual base fee (DKK 750,000); and (iii) the remuneration to the Deputy Chairman will be one and a half times the annual base fee (DKK 450,000).

In addition to the base fee to the Board of Directors, the Board proposed that the Board as part of the remuneration receives Restricted Stock Units equal to 50% of the annual base fee of DKK 300,000 (for the Chairman, however, equivalent to 50% of two and a half times the annual base fee and the Deputy



Chairman equivalent to 50% of one and a half of the base annual fee) in accordance with the Company's general guidelines for incentive pay.

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

Further, the Board of Directors proposed that each member of the Board of Directors receives (i) an attendance fee of DKK 5,000 for each board member and/or committee meeting he/she attends to, which in no event can exceed DKK 5,000 per day or (ii) for members of the Board of Directors, who travel overseas in order to participate, a fee of USD 5,000. Furthermore, the Company pays the travelling expenses incurred by the board members in connection with board- and/or committee meetings, and 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).

The Chairman reviewed the proposal.

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

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

It was 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 in connection with the acquisition of own shares may not deviate by more than 10 % from the price of the Company's shares on Nasdaq Copenhagen at the time of acquisition. 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.

- f. The Board of Directors proposed to align the Danish terminology of the Company's Articles of Association so that the word "ejerbog" (in English "register of shareholders") is used instead of the word "aktiebog". The proposal entails adjustment of Articles 8, 10, 11 and exhibit 1.

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.

- g. The Board of Directors proposes to amend Article 10, subsection 4 of the Articles of Association so that the obligation to convene General Meetings by publication in the IT information system of the Danish Business Authority is omitted.

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 6:

Gerard van Odijk, Anders Gersel Pedersen, Erik G. Hansen, Peter Kürstein, Frank Verwiel and Elizabeth McKee Anderson were ready to accept re-election. As mentioned by Gerard van Odijk during his presentation the Board of Directors further proposed that Anne Louise Eberhard was elected as a new member of the Board of Directors.

The Chairman informed the meeting about the managerial positions 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)  
Erik Gregers Hansen  
Peter Kürstein  
Frank Verwiel  
Elizabeth McKee Anderson  
Anne Louise Eberhard

Re 7:

The Board of Directors proposed that Deloitte, Statsautoriseret Revisionspartnerselskab, be re-elected as auditor in accordance with the recommendation of the Finance, Risk and Audit Committee. The Finance, Risk and Audit Committee has been free from influence by a third party and has not been subject to any contract with a third party restricting the choice by the general meeting on the selection of a statutory auditor or an audit firm.

The proposal was adopted.

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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:

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Marianne Philip