

Bavarian Nordic A/S – Notice convening ordinary general meeting

Pursuant to Article 10 of the Articles of Association, the shareholders of Bavarian Nordic A/S are hereby convened to the ordinary General Meeting to be held:

Tuesday, 29 April 2008 at 16.00 hours

at Radisson SAS Scandinavia Hotel, Amager Boulevard 70, DK-2300 Copenhagen S, Denmark with the following agenda:

- 1) The Board of Directors' report on the Company's activities in the past year.
- 2) The 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) Election of Members to the Board of Directors.
- 5) Election of Auditors.
- 6) Any proposal from the Board of Directors or shareholders, including proposal for authorisation to the Company to acquire own shares.

6 A) Authorisation for Increase of the Company's Share Capital

The Board of Directors proposes that the current Article 5a of the Articles of Association, according to which the Board of Directors is authorised to increase the Company's share capital in the period until 30 June 2008, is replaced with a similar authorisation for the period until 30 June 2009. Such authorisation should be granted in order to improve the Company's possibilities for contracting with third parties, including contracting of acquisitions, engage in strategic alliances, developing and strengthening the Company's business, in return, in full or in part, for the issuing of new shares. It is therefore proposed that the current Article 5a is deleted and that the following authorisation is adopted into the Company's Articles of Association as Article 5a, observing Article 37 of the Danish Public Companies Act:

"Article 5a

For the period ending on 30 June 2009, 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 20,000,000 (20,000,000 shares of DKK 1).

The share capital may be increased by cash payment or in other ways. If the share capital is increased by a cash payment at a subscription price below the value of the 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. If the share capital is increased by a cash payment other than in the situations mentioned in this Article 5a, subsection 2 or in other ways, such as by conversion of debts or in payment of a contribution in kind, the Company's existing shareholders shall not have pre-emption right. If the share capital is increased in other ways, the provisions of Article 33 of the Danish Public Companies Act shall apply, and the subscription price or the value of the shares issued shall be fixed by the Board of Directors within the framework of the mandatory provisions under the Danish Public Companies Act, including sections 79 and 80 of the Act.

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

The new shares shall be negotiable instruments and shall be issued to bearer but they may be registered in the bearer's name 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."

6 B) Approval of Policy for Incentive Remuneration of the Board of Directors and the Management in Bavarian Nordic A/S

In June 2007 the Danish parliament adopted new rules as part of its efforts to increase transparency in listed companies, which require the general meeting's approval of guidelines for incentive remuneration of the Board of Directors and the Management (Article 69b of the Danish Public Companies Act). The Company has prepared a new policy in accordance with article 69b of the Danish Public Companies Act

and the guidelines from the Corporate Governance Committee in Denmark for such policies. The Board of Directors has decided that these guidelines for incentive remuneration for the time being also should apply as regards the rest of the Company's executive management employed by the Company and based in Denmark. The draft policy is available for review at the Company's office in Kvistgaard, Denmark and will be forwarded to all shareholders, registered by name, who have so requested.

The Board of Directors submits the draft guidelines for consideration and approval of the general meeting.

In accordance with article 69b of the Danish Public Companies Act and based on the approval of the general meeting of the above, which does not require special majority, the following new article 17a shall be included in the Articles of Associations:

"Article 17a

In accordance with article 69b of the Danish Public Companies Act, the Company has adopted a policy for incentive remuneration of the Board of Directors and the Board of Management. The Policy has been submitted to and approved by the general meeting. The policy is available on the Company's website or by contacting the Company."

6 C) Authorization for issuing warrants to the management and employees et al.

It is proposed that the Board of Directors is authorized to issue warrants to the management and employees of the Company and its subsidiaries and for implementing capital increases in this respect. Because the existing authorisation in article 5b of the Articles of Association has been used, it is proposed that the following authorization is adopted as Article 5f in the Company's Articles of Association:

"Article 5f

During the period ending 1 May 2011, 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 and the Company's Board of Directors, for the subscription of shares of a nominal value of up to DKK 2,000,000 by cash contribution at a subscription price and on such other terms as the Board of Directors may determine. Notwithstanding the foregoing, the issuances of warrants to members of the Board of Directors may not exceed a nominal value of DKK 200,000. Any issuance of warrants to the Board of Directors or 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 Article 69b of the Danish Public 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 26 April 2013 to increase the share capital by a nominal value of up to DKK 2,000,000 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 and shall be issued to the bearer, but they may be registered in the bearer's name 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 to be redeemed - in whole or in part. The new shares shall carry the right to dividend from the time of subscription"

6 D) Resolution on amendment of Article 10, sub-section 4 of the Articles of Association (Publication of notice for convening)

Due to new rules for notice for convening the annual general meeting the Board of Directors proposes that Article 10(4) of the Articles of Association is amended to as follows:

"Article 10(4)

General meetings shall be convened by publication in one leading newspaper and in the IT information system of the Danish Commerce and Companies Agency. Furthermore, a written notice convening the annual general meeting shall be sent to all registered shareholders who have so requested."

6 E) Authorisation to Acquire 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. Such authorisation has been given in previous years.

It is therefore proposed that the following authorisation is granted to the Company's Board of Directors pursuant to Article 48; subsection 2 of the Danish Public Companies Act:

The General Meeting hereby authorises the Board of Directors to acquire own shares on behalf of the Company in accordance with Article 48 of the Danish Public Companies Act. The Company may only acquire own shares for a total nominal value of up to 10% of the Company's share capital. The remuneration paid for the Company's shares may not deviate by more than 10% from the bid rate established by OMX Nordic Exchange Copenhagen at the time of acquisition. The bid rate shall be the closing rate at the OMX Nordic Copenhagen – all trades at 17.00 hours.

This authorisation is granted to the Company's Board of Directors for the period until the next ordinary General Meeting, however for a maximum of 18 months.

6 F) Proposal no. 1 from a shareholder

Being a shareholder in the Company Fundamental Fondsmæglerselskab A/S has submitted the proposal below for consideration by the general meeting if Mr. Asger Aamund runs for the Board of Directors and is elected. The proposal is available for review at the Company's office in Kvistgaard, Denmark and will be forwarded to all shareholders, registered by name, who have so requested.

"The general meeting requests of Mr Asger Aamund in his capacity as Chairman of the Board/Member of the Board of Directors that he refrains from publicly commenting on his personal purchase and sales preferences in Bavarian Nordic A/S and considerations thereof.

Reason for the proposal:

It is not appropriate that the Chairman of the Board of Directors of a listed company makes statements regarding his personal purchase and sales preferences with respect to the shares of the company in which he is the Chairman of the Board of Directors.

This has been done by Mr. Asger Aamund on several occasions with respect to his shares in Bavarian Nordic A/S, which in the opinion of the proposer, has had a noticeable negative effect on the price of the Company's shares as well as the respect for the Company's Chairman and with harmful effect to the reputation of Bavarian Nordic A/S as a result. Furthermore it is not appropriate that the Company's management shall use its resources commenting on such statements to existing and potential shareholders.

As several requests to the Chairman in this respect from Fundamental Fondsmæglerselskab A/S as well as other market participants and investors have been unsuccessful, we are compelled to cause that such request to the Chairman is made by the Company's supreme authority, the general meeting."

6 G) Proposal no. 2 from a shareholder

Being a shareholder in the Company Fundamental Fondsmæglerselskab A/S has submitted the proposal below for consideration by the general meeting if Mr. Asger Aamund runs for the Board of Directors and is elected. The proposal is available for review at the Company's office in Kvistgaard, Denmark and will be forwarded to all shareholders, registered by name, who have so requested.

"The general meeting requires the following of Mr. Asger Aamund if he is elected for the Board of Directors and if the Board of Directors subsequently appoints Mr Asger Aamunds Chairman of the Board or Directors:

If Bavarian Nordic A/S receives notification of a potential offer for the acquisition of the Company, such notification shall be submitted to the entire Board of Directors. If, in such notification, a premium for the acquisition of the Company's shares is indicated to be at least 10 per cent higher than the actual share price at any given time, the Board of Directors shall publish such offer.

Reason for the proposal:

In his capacity as Chairman of the Board of Directors of Bavarian Nordic A/S, Mr. Asger Aamund has stated that several notifications regarding acquisition of the Company has been received. For example such statement was made on 6 June 2007 at which time the share price was approximately DKK 550 per share. Furthermore, Mr. Asger Aamund stated that he did not want to enter into negotiations unless a considerable premium to the share prices was indicated. It is unknown to the proposer, if such notifications have been submitted to the entire Board of Directors of Bavarian Nordic A/S. It is however a

fact that the shareholders in the Company have not been informed by the Company and thus have not had a chance to consider such proposals.

It is evident that any notifications of this kind should have been discussed with and in the future must be discussed by the entire Board of Directors with further negotiation in mind and eventually submission to the shareholders. Bavarian Nordic A/S being a listed company, in which Mr. Asger Aamund obviously is not the sole shareholder, it is the opinion of Fundamental Fondsmæglerselskab A/S, that Mr. Asger Aamund is not entitled to allow his personal opinion of the value of the Company to overrule the fundamental rules for loyal submission offers to the Company's other shareholders."

The adoption of the proposals referred to in items 6A, 6C and 6D require a special majority, cf. Article 78 of the Danish Public Companies Act and Article 16 of the Articles of Association. According to this, the adoption of such proposals require the affirmative votes of at least two-thirds of the votes cast and the votes represented at the General Meeting, and that at least half of the share capital is represented at the General Meeting. In the event that less than half of the share capital is represented at the General Meeting, but the resolution is passed by at least two-thirds of the votes cast as well as of the votes represented at the General Meeting, the resolution may be passed by two-thirds of the votes cast as well as of the votes represented at a new General Meeting convened within 14 days after the date of the preceding General Meeting.

In accordance with Article 73, sub-section 5 of the Danish Public Companies Act it is informed that the Company's share capital amounts to DKK 78.155.680 divided into shares in the denomination of DKK 1 and multiples thereof. Each share of a nominal value of DKK 10 gives one vote.

Pursuant to Article 11 of the Articles of Association, shareholders who wish to attend the General Meeting shall order admission cards no later than Thursday 24 April 2008. Admission cards may be ordered from Bavarian Nordic A/S (by tel: +45 3326 8383; by fax: +45 3326 8380) or, for registered Shareholders, who receive the agenda/summon and the Annual Report by mail, by submission of the enclosed order form, or at www.bavarian-nordic.com. Shareholders who are not registered in the Company's Stock Register but wish to attend the General Meeting must prove their title to the shares by presenting documentation from the shareholder's financial institute. Such documentation must not have been issued earlier than 14 days before the General Meeting. The shareholder must furthermore issue a statement in writing to the effect that the shares have not, and will not, be transferred to any third parties before the General Meeting is held.

Kvistgård, 8 April 2008

Asger Aamund
Chairman

Contact:

Anders Hedegaard, President & CEO | +45 33 26 83 83

About Bavarian Nordic

Bavarian Nordic (CSE: BAVA) is a leading international biopharmaceutical company developing and producing innovative vaccines to prevent and treat infectious diseases and cancer. With operations in Denmark, Germany, the USA, and Singapore, Bavarian Nordic employs over 260 people. Bavarian Nordic's patented technology, MVA-BN®, is as been demonstrated in clinical studies, one of the world's safest, multivalent vaccine vectors for the development of vaccines against various infectious diseases such as smallpox, HIV/AIDS, as well as against breast and prostate cancer. Several MVA-BN®-based vaccines are in clinical Phase I and Phase II trials. Bavarian Nordic has ongoing development contracts with the US government to develop a third-generation smallpox vaccine, IMVAMUNE®. Bavarian Nordic has supplied several other governments with smallpox vaccines.

For more information please visit www.bavarian-nordic.com