



BAVARIAN NORDIC

Company Announcement

March 27, 2014

## **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 on

**Thursday, April 24, 2014 at 5.00 PM CET**

at Comwell Borupgaard, Nørrevej 80, 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.

The Board of Directors has proposed the following resolutions:

- a. 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 authorized to increase the share capital of the Company by a total of nominally DKK 26,000,000 until 30 June 2015.
  - 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 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 2015.
  - c. Proposal to approve remuneration of the Board of Directors for the current financial year.
  - d. Proposal to authorise the Board of Directors to purchase own shares.
  - e. Proposal to change the Company's corporate language to English.
  - f. Proposal that future general meetings may be held in either Danish or English as resolved by the Board of Directors, and that documents prepared for use by general meetings may also be prepared in Danish or English as resolved by the Board of Directors.
  - g. Proposal that the Company's annual reports and interim financial reports going forward are only prepared in English.
  - h. Proposal to adopt new general guidelines for incentive remuneration of the board and management in Bavarian Nordic A/S.
- 8) Any other business.

## **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. Asger Aamund has announced that he will resign from the Board in connection with the annual general meeting. If the board members are re-elected, the Board of Directors will elect Gerard van Odijk as chairman of the Board of Directors.

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 independent adviser for pharmaceutical companies. Dr van Odijk is Chairman of the Board of Directors of Merus Biopharmaceuticals B.V. and board member in UDG Healthcare plc. Dr van Odijk's special competencies are: his medical 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 Aniona ApS and a member of the Board of Directors of Santaris Pharma A/S, 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, Chairman of the Board of Directors of Lundbeck International Neuroscience Foundation, 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 Director of Rigas Invest ApS. Mr Hansen is Chairman of the Board of Directors of DTU Symbion Innovation A/S, NPT A/S, Polaris Management A/S, Polaris Invest II ApS, TTiT A/S and a member of the Board of Directors of Bagger-Sørensen & Co. A/S (Deputy Chairman), Bagger-Sørensen Fonden, Lesanco ApS, Ecco Sko A/S, OKONO A/S, PFA Holding A/S, Wide Invest ApS and Aser Ltd. In addition, Mr Hansen is a member of the Executive Boards of Rigas Invest ApS, Tresor Asset Advisers ApS, Berco 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 extend the authorisations of the Board of Directors in Article 5a to increase the share capital  
The Board of Directors proposes 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 in one or more issues by a total of nominally DKK 26,000,000 until 30 June 2015. The proposal entails amending the date "30 June 2014" in Articles 5a(1) and 5a(2) of the Articles of Association to "30 June 2015".

Re 7b) Proposal to increase and extend the authorisation of the Board of Directors in Article 5b to issue warrants

The Board of Directors proposes to increase and extend the authorisation of the Board of Directors in Article 5b of the Articles of Association so that until 31 December 2015 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, of which members of the Board of Directors may be issued warrants to subscribe for shares in the Company at a nominal value of up to DKK 300,000, however, no more than nominally DKK 50,000 to each board member. 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 2019 as well as amending Article 5b of the Articles of Association accordingly.

Re 7c) Proposal to approve remuneration of the Board of Directors for the current financial year

The Board of Directors proposes that the Board of Directors receives remuneration for the financial year 2014 in the amount of up to DKK 1,750,000 distributed with DKK 500,000 to the Chairman and DKK 250,000 to each of the other members of the Board of Directors. The Board of Directors also proposes that each board member is awarded 5,000 warrants which entitle the holders to subscribe for shares in the Company. The granting of warrants takes place in accordance with the authorisation of the Board of Directors in Clause 5b of the Articles of Association to issue warrants.

Re 7d) 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 ordinary General Meeting.

Re 7e) Proposal to change the Company's corporate language to English

The Board of Directors proposes that the Company's corporate language is changed to English and that Article 3 of the Articles of Association is amended accordingly. The current objects clause in Article 3 is moved to Article 2. The heading is changed to "Name, objects of the Company and Corporate language.

*"In addition to Danish, the Company also has English as corporate language. Meetings of the board of directors may be held in English."*

Re 7f) Proposal that future general meetings may be held in either Danish or English as resolved by the Board of Directors, and that documents prepared for use by general meetings may also be prepared in Danish or English as resolved by the Board of Directors.

The Board of Directors proposes that future general meetings may be held in either Danish or English and that documents prepared for use by general meetings may also be prepared in Danish or English as resolved by the Board of Directors. As a consequence, the proposal entails including the following as a new section 2 to Article 3:

*"General meetings may be held in either Danish or English as resolved by the Board of Directors. Documents prepared for use by the general meetings, including notice convening the general meeting and agenda with the complete proposals as well as any additional material may be prepared in Danish or English as resolved by the Board of Directors."*

Re 7g) Proposal that the Company's annual reports and interim financial reports going forward are only prepared in English.

The Board of Directors proposes that the Company's annual reports and interim financial reports going forward are only prepared in English, unless the Board of Directors resolves that the annual report shall also be prepared in Danish. As a consequence the following will be added as a new Article 22 of the Articles of Association:

*"The Company's annual reports and interim financial reports are prepared in English. The Board of Directors may resolve that the annual report shall also be prepared in Danish"*.

Re 7h) Proposal to adopt new general guidelines for incentive remuneration of the Board and Management in Bavarian Nordic A/S

The Board of Directors proposes to adopt new general guidelines for incentive remuneration of the Board and Management in Bavarian Nordic A/S.

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#### **Majority requirements**

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

Adoption of the proposals referred to in items 7a, 7b and 7e 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 22, 2014 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 17, 2014, 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](http://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](mailto: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](http://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 22, 2014 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](http://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 22, 2014 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](mailto:info@bavarian-nordic.com). Questions will be answered in writing or orally at the General Meeting.

#### **Information on the website**

The following documents and information will be available on the Company's website at [www.bavarian-nordic.com/agm](http://www.bavarian-nordic.com/agm) from March 27, 2014 to April 24, 2014 (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 2013 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 260,943,610 divided into shares in the denomination of DKK 1 and multiples thereof. Each share of a nominal value of DKK 10 gives one vote.

Asger Aamund  
Chairman of the Board

#### **Contacts**

Anders Hedegaard, President & CEO. Phone +45 23 20 30 64

#### **About Bavarian Nordic**

Bavarian Nordic is an international biotechnology company developing and manufacturing novel cancer immunotherapies and vaccines for infectious diseases. Lead product candidates are PROSTVAC<sup>®</sup>, an immunotherapy product candidate for advanced prostate cancer that is the subject of an ongoing pivotal Phase 3 clinical trial and IMVAMUNE<sup>®</sup>, a non-replicating smallpox vaccine candidate in Phase 3 development, which is being developed and supplied for emergency use to the U.S. Strategic National Stockpile under a contract with the U.S. Government. The vaccine is approved in Canada under the trade name IMVAMUNE and in the European Union under the trade name IMVANEX<sup>®</sup>.

Bavarian Nordic's shares are listed on NASDAQ OMX Copenhagen under the symbol BAVA (Reuters: BAVA.CO, Bloomberg: BAVA.DC). The company has a sponsored Level 1 ADR program listed in the US (OTC) under the symbol BVNRY.

For more information, visit [www.bavarian-nordic.com](http://www.bavarian-nordic.com).

**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.