

Case no. 205-10376-8

# **Articles of Association**

**for**

**Danfoss A/S**

**CVR no. 20165715**

**2024.04.18**

- 1 The Company's name is Danfoss A/S and its registered office is situated in DK-6430 Nordborg, Sønderborg Municipality.
- 2 The Company's object shall be to engage in industry, manufacturing and trade as well as investment activities.
- 3 The Company's share capital is DKK 996,962,500 (say kroner nine hundred and ninety six million and nine hundred and sixty two thousand and five hundred).

The share capital, which has been fully paid up, consists of an A share capital of DKK 425,000,000 and a B share capital of DKK 571,962,500 divided into shares of DKK 100 each or multiples thereof.

All shares are registered with VP - The Danish Securities Centre in accordance with the rules applying to such registration.

All shares shall carry voting rights. Each B share of DKK 100 shall entitle its holder to one vote. Each A share of DKK 100 shall entitle its holder to ten votes.

In addition, no shares shall confer any special rights. In the event of the share capital being increased, the holders of A shares shall have a pre-emption right to subscribe for A shares and the holders of B shares shall have a pre-emption right to subscribe for B shares.

The shares may be registered shares and may thus be registered in the name of the holder in the Company's register of shareholders.

The dividend for the year shall be paid within 30 days from the time when the audited financial statements have been approved by the general meeting. Dividend which has not been claimed within three years from the maturity date shall accrue to the Company's reserve fund.

- 3a The general meeting shall authorise the Board of Directors, either by way of a one-time issue or several issues, to increase the share capital by a minimum of 50,000 and a maximum of 126,466 B shares of DKK 100 and offer such shares at a favourable price to the employees of the Company and to companies in which the Company owns more than 50% of the share capital in connection with a general employee share ownership plan and on terms specified by the Board of Directors. Such capital increase shall take place without any pre-emption rights for the existing shareholders. In addition, the Board of Directors shall be authorised to make the amendments to the Company's Articles of Association which are necessary as a result of the Board of Directors' use of the above authority. This authority shall expire on 1 April 2009.

The Board of Directors has used this authority to increase the share capital by 107,213 B shares of DKK 100 at a price of 600 in the Company corresponding to a nominal B share capital of DKK 10,721,300 so that the remaining authority constitutes 19,253 B

shares of a nominal value of DKK 100 corresponding to a capital increase of the B share capital of DKK 1,925,300.

- 3b The general meeting shall authorise the Board of Directors to pass a resolution to issue warrants to management employees of the Company, either by way of a one-time issue or several issues, and thus without any pre-emption rights for the existing shareholders. The maximum amount of the B share capital which can be subscribed for on the basis of the above warrants shall be DKK 22,240,000. The Board of Directors shall be authorised to implement the necessary capital increase(s) in connection herewith. The Board of Directors shall, moreover, determine the specific terms applying to the issue of the warrants. In addition, the Board of Directors shall be authorised to make the amendments to the Company's Articles of Association which are necessary as a result of the Board of Directors' use of the above authority. This authority shall expire on 1 April 2009.

The Board of Directors has used this authority partially by granting 162,914 warrants which can later be used for the subscription for B shares in the Company corresponding to a nominal B share capital of DKK 16,219,400 so that the remaining authority constitutes 59,486 warrants entitling the subscription for a B share capital of DKK 5,948,600.

Furthermore, the general meeting shall authorise the Board of Directors to pass a resolution to issue further warrants to management employees of the Company, either by way of a one-time issue or several issues, and thus without any pre-emption rights for the existing shareholders. The maximum amount of the further B share capital which can be subscribed for on the basis of these warrants shall be DKK 4,000,000. The Board of Directors shall be authorised to implement the necessary capital increase(s) in connection herewith. The Board of Directors shall, moreover, determine the specific terms applying to the issue of the warrants. In addition, the Board of Directors shall be authorised to make the amendments to the Company's Articles of Association which are necessary as a result of the Board of Directors' use of the above authority. This authority shall expire on 1 April 2010.

- 3c The general meeting shall authorise the Board of Directors, either by way of a one-time issue or several issues, to increase the share capital by a maximum of 15,249 B shares of DKK 100 and offer such shares at the market price to the Bitten and Mads Clausen's Foundation without any pre-emption rights for the existing shareholders. In addition, the Board of Directors shall be authorised to make the amendments to the Company's Articles of Association which are necessary as a result of the Board of Directors' use of the above authority. This authority shall expire on 1 April 2009.
- The Board of Directors has used this authority partially by increasing the share capital by 5,280 and 5,339 B shares respectively of DKK 100 so that the remaining authority constitutes a right to increase the share capital by 4,630 B shares of DKK 100.

3d The general meeting shall authorise the Board of Directors to pass a resolution to issue warrants to management employees for B shares in the Company, either by way of a one-time issue or several issues, and thus without any pre-emption rights for the existing shareholders. The maximum amount of the B share capital which can be subscribed for on the basis of the above warrants shall be DKK 41,000,000. The Board of Directors shall be authorised to implement the necessary capital increase(s) in connection herewith – also in relation to the possible requirement that management employees shall subscribe for a number of shares at full market price as a condition for participating in the plan. The Board of Directors shall, moreover, determine the specific terms applying to the issue of the warrants. This authority shall expire on 1 April 2012.

The Board of Directors has used this authority partially by granting 194,159 warrants which can later be used for the subscription for B shares in the Company corresponding to a nominal B share capital of DKK 19,415,900 so that the remaining authority constitutes 215,841 warrants entitling the subscription for a B share capital of DKK 21,584,100.

3e The general meeting shall authorise the Board of Directors to pass a resolution to issue call options for B shares to the Board of Directors itself, either by way of a one-time issue or several issues. The maximum amount of the B share capital which can be purchased on the basis of the above call options shall be DKK 1,485,000. The Board of Directors shall, moreover, determine the specific terms applying to the issue of the call options. However, the terms shall in essence correspond to the terms applying to the issue of warrants to management employees of the Company including the changes which are required due to the fact that it is a question of call options. This authority shall expire on 1 April 2012.

3f The general meeting shall authorise the Board of Directors to increase the share capital by a minimum of 10,000 and a maximum of 60,000 B shares of DKK 100, either by way of a one-time issue or several issues, and offer such shares at a favourable price to the employees of the Company and to companies in which the Company owns more than 50% of the share capital in connection with a general employee share ownership plan and on terms specified by the Board of Directors – however, the favourable price element must not, at the time of subscription, exceed a total value of DKK 50,000,000. Such capital increase shall take place without any pre-emption rights for the existing shareholders. This authority shall expire on 1 April 2013.

4 The price of the shares shall be determined as follows:

With effect from the annual general meeting, the price of the shares shall be determined in accordance with an assessment of the market value of the Danfoss shares obtained from Danske Bank A/S or some other well established bank or investment company appointed by the Company's Board of Directors.

Such assessment shall be based on a comparison between the earnings of Danfoss A/S and an average of the key figures for the earnings of a number of Danish and foreign listed companies with the same business foundation as Danfoss A/S as well as an assessment of the expected future business development of Danfoss A/S. The calculation of the value per share shall be made on the basis of the fully diluted number of shares in Danfoss A/S.

The market price thus determined shall apply until the next annual general meeting.

5 The general meeting shall be the highest authority in all company affairs.

The Company's general meetings shall be held at the Company's domicile. If special circumstances so require, the general meeting can, however, be held somewhere else.

The Company's general meetings may, if so decided by the Board of Directors, be held electronically, either in full or in part, in accordance with the provisions included in the Danish Companies Act on this subject.

In the event of an electronic general meeting, participation may take place through Internet-based solutions, including through applications for mobile phones and similar devices giving the Company's shareholders the opportunity to attend, speak and vote at the general meeting and ensuring that the general meeting can be held in a proper and secure manner and in accordance with the Danish Companies Act. Details will be provided on the Company's website [www.danfoss.com](http://www.danfoss.com) together with the notice convening the general meeting in question.

The annual general meeting shall be held before the end of the fourth month after the end of the financial year.

General meetings shall be convened by the Board of Directors not earlier than four weeks and not later than two weeks before the general meeting is to be held by a notice published in a national daily newspaper decided by the Board of Directors as well as by ordinary letter to all the shareholders recorded in the register of shareholders having submitted a request to this effect. The notice convening the general meeting shall include the agenda for the general meeting. All shareholders shall be entitled to attend the general meeting if they, not later than three days before the general meeting is to be held, on proper proof of identity, have requested an admission card at an address specified in the notice convening the general meeting.

In order for motions from shareholders to be considered at an annual general meeting, such motions shall be submitted to the Board of Directors not later than six weeks before the general meeting is to be held.

Extraordinary general meetings shall be held when deemed expedient by the Board of Directors.

6 At the annual general meeting, the following items shall be considered:

1. The Board of Directors' report on company activities in the past year.
2. Presentation and approval of the Company's annual report.
3. Decision on appropriation of profit or payment of losses.
4. Election of members for the Board of Directors.
5. Election of auditor.
6. Motions (if any) from the Board of Directors or shareholders.

Prior to the general meeting, the Board of Directors shall by a simple majority vote elect a chairman to conduct the proceedings and to decide on all matters concerning the transaction of business and the casting of votes.

All shares shall carry voting rights at the Company's general meetings after four weeks' registration with the weight stated in Article 3 of the Company's Articles of Association. The requirement of four weeks' registration shall, however, only apply to shareholders who have acquired their shares through transfer.

The matters dealt with at the general meeting shall be decided by a simple majority vote unless otherwise stipulated by law or these Articles of Association.

In order to pass any resolution to amend these Articles of Association or to dissolve the Company, at least two-thirds of the votes cast as well as of the voting share capital represented at the general meeting shall be in favour hereof.

A brief report of the business transacted at the general meeting shall be entered into a minute book to be signed by the chairman and all the board members present.

All voting shareholders shall be entitled to demand that present matters of discussion be decided by written voting.

7 The general meeting shall elect a board of directors consisting of five to nine members. Board members shall be elected for a one-year period and in such a way that all board members elected by the general meeting are up for re-election at the ordinary general meeting.

Board members need not be shareholders.

The retirement age for board members shall be 70 years.

8 The Board of Directors shall be responsible for the overall management of company affairs and shall lay down specific rules of procedure governing the execution of its duties.

The matters dealt with at board meetings shall be decided by a simple majority vote. In the event of an equality of votes, the chairman shall have the casting vote.

Board meetings shall be held as often as is requested by the chairman or any other board member. A minute-book shall be kept of the business transacted at board meetings and shall be signed by all the board members present.

The Board of Directors shall receive an annual remuneration to be determined by the general meeting.

In addition to the remuneration mentioned above, individual board members may receive remuneration for the execution of special tasks.

9 The Board of Directors shall have the authority, on behalf of the Company, to bring actions and to take all such legal steps as the Board of Directors deems to be necessary, and the Board of Directors shall be entitled to sub-delegate its rights to bring actions and to take such legal steps. The rules and regulations applying to the Company with respect to which persons are authorised to sign for the Company shall also apply to all decisions concerning such actions and legal steps.

10 An executive board appointed by the Board of Directors shall be responsible for the Company's day-to-day operations and business management. Such executive board shall consist of two to six members.

The Board of Directors shall prepare the contracts it wishes to have with the Executive Board.

11 The full Board of Directors or:

1. The chairman of the Board of Directors acting jointly with either one member of the Board of Directors or one member of the Executive Board,
2. The CEO acting jointly with either one member of the Board of Directors or one member of the Executive Board,
3. One member of the Executive Board acting jointly with either two members of the Board of Directors or one other member of the Executive Board

shall be authorised to sign for the Company.

The Board of Directors may issue powers of procuration.

- 12 The Company has prepared overall guidelines for the performance-related remuneration of the Board of Directors and the Executive Board. These guidelines have been submitted to and adopted by the Company's general meeting.

The Annual General Meeting has adopted a scheme for indemnification of its Board of Directors. Under the indemnification scheme, the Company shall indemnify members of the Board of Directors from and against any losses (including any tax obligations associated herewith), incurred by members of the Board of Directors arising out of any claims raised by any third party (other than Danfoss group companies) based on such members of the Board of Directors' discharge of their duties as members of the Board of Directors. Excluded from indemnification under the scheme are any losses relating to liability incurred by a member of the Board of Directors arising out of such member's fraud, improper dispositions, criminal offences according to applicable criminal law regulations, willful misconduct, or gross negligence. Indemnification under the scheme shall be secondary to coverage from other sources of indemnification or coverage of liability but is not conditioned on coverage under the directors' and officers' liability insurance as applicable from time to time (management & board liability insurance), and the Company may thus indemnify for losses, which are not covered wholly or partly by the directors' and officers' liability insurance. The Board of Directors stipulates the provisions on the implementation and administration of the indemnification scheme."

- 13 The Company's financial statements shall be audited by a state-authorised public accountant elected by the annual general meeting for a one-year period.
- 14 The Company's financial year shall run from 1 January to 31 December.
- 15 The annual report shall be prepared giving due consideration to the assets and liabilities present and providing the necessary amortisation and depreciation.

If losses from previous years have not been written off, any profit shall first be used for writing off such losses.

Distribution of the profit for the year shall take place in accordance with the following rules:

1. Dividend shall be distributed equally to holders of A shares and holders of B shares in proportion to their share of the total share capital.
2. The remaining part of the profit shall be used at the discretion of the general meeting.

The Company's annual report shall be prepared and presented in English. The Board of Directors may decide that the annual report shall also be prepared in Danish.



These Articles of Association were approved at the Company's annual general meeting on 18 April 2024.

As chairman:

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Anders Stahlschmidt