

Press release

Generational shift

Group Communications
Danfoss A/S

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Jørgen Mads Clausen resigns as Chair of the Board of Danfoss A/S in connection with the Annual General Meeting

Danfoss A/S is now implementing the planned generational shift in family ownership. Former CEO Jørgen Mads Clausen has announced that he will resign as Chair of the Board of Danfoss A/S in connection with the Annual General Meeting. Vice Chair Jens Bjerg Sørensen is recommended as new chair.

NORDBORG, DENMARK – As previously announced, Jørgen Mads Clausen has informed the Board of Directors that he will resign as Chair of the Board of Danfoss A/S with effect from the Annual General Meeting to be held on March 25, 2022.

Jørgen Mads Clausen will remain a member of the Board of Directors until the Annual General Meeting on March 25, 2022, when his current term expires.

The Board of Danfoss A/S intends to elect current Vice Chair Jens Bjerg Sørensen to succeed Jørgen Mads Clausen as Chair of the Board after the Annual General Meeting.

Jørgen Mads Clausen says:

"Danfoss is now a stronger, bigger and more global company, but also one with a clear goal of contributing to the green transition and combatting climate change with our energy-efficient products and solutions. This is a result of our business strategy, which is now being updated with an ambitious sustainability strategy. It has been a pleasure to safeguard my parents' life work for the benefit of Southern Jutland, Denmark, and the world. Now it's time for the next generation to take the lead. The timing is right for me."

Jørgen Mads Clausen was CEO of Danfoss from 1996 to 2008, and Chair of the Board since the 2009 Annual General Meeting. Despite stepping down from the Board, he intends to maintain his strong commitment to Danfoss. This follows the tradition that started with Bitten Clausen, who was one of the world's first female board chairs from 1966 to 1971, and later Danfoss' vice chair until 1989.

Jørgen Mads Clausen adds:

"I will continue to be available to the company and represent the family to employees and business associates. But both my siblings and my wife and I are delighted that the third generation of the family is showing their commitment to Danfoss by taking on greater responsibility. At the same time, we couldn't ask for a better chair than Jens Bjerg Sørensen. Jens has the right skills, experience and understanding of Danfoss and our culture. He can safely lead Danfoss forward, together with the rest of the Board, management and our employees."

Jens Bjerg Sørensen says:

"I am honored to be nominated as the new chair of the board. Danfoss has an impressive history. The long-term foundation ownership and the family's strong values are one of the main reasons why Danfoss now has a decisive influence on whether the world succeeds in the green transition. Danfoss is financially stronger than ever and has developed significantly during Jørgen's time as chair. As vice chair, I have followed the close collaboration between Jørgen and Danfoss' CEO, Kim Fausing, which I consider crucial to Danfoss' success. I intend to maintain this together with the new Board of Directors."

Jens Bjerg Sørensen has been CEO of Schouw & Co. since 2000. In addition to his position as CEO, he is board chair of a number of companies.

Jørgen Mads Clausen will resign from the Board of Directors at the Annual General Meeting in compliance with the company's articles of association. William Erwin Hoover, Jr. has also announced that he will be stepping down. Karin Dohm is recommended as his replacement. Karin Dohm has extensive experience in strategy, finance, and risk management, including MaRisk and Compliance, and has been Global Head of Government & Regulatory Affairs at Deutsche Bank and a Partner (Financial Services) in Deloitte. She is currently CFO of Hornbach Holding AG & Co. In addition, Mads Clausen has been proposed for the Board. The Board of Directors proposes the re-election of Jens Bjerg Sørensen, Mads-Peter Clausen, Per Falholt, Connie Hedegaard, Jürgen Reinert and Mika Vehviläinen. The Board of Directors also includes Marianne Godballe, Bent Lewke, Henning Andreas Krogh and Henning Bjørklund, who have been elected by the employees.

Going forward, the family ownership of Danfoss A/S and the Foundation will be represented as follows:

Mads-Peter Clausen, the son of Peter Mads Clausen, will continue to serve on the Board of Danfoss A/S, of which he has been a member since 2014. He will become a new member of the Board of the Bitten & Mads Clausen's Foundation.

Mads Clausen, the son of Jørgen Mads Clausen, will be joining the Board of Directors at Danfoss A/S. He will continue as a board member of Bitten & Mads Clausen's Foundation, a position he has held since 2015.

Jens Martin Skibsted, the son of former board member Bente Skibsted, the daughter of Bitten and Mads Clausen, is already a member of Bitten & Mads Clausen's Foundation, which he joined in 2012.

The final composition, including the distribution of roles in the boards of directors of Danfoss A/S, will be decided after the general meeting. With 48.8% Bitten & Mads Clausen's Foundation is a majority shareholder in Danfoss A/S, holding 86% of the votes. The ownership, as well as the strategic direction in Danfoss A/S and Bitten & Mads Clausen's Foundation, will continue unchanged.

More information:

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- *Danfoss Power Solutions – Full solutions capabilities in mobile and industrial hydraulics, fluid conveyance, electrification and software*
- *Danfoss Climate Solutions – Sustainable heating and cooling solutions for buildings, cold chains, industry and infrastructure*
- *Danfoss Drives – Clean-energy solutions such as AC drives, power semiconductor modules, and electrification in automotive and various industries*

Our innovative engineering dates back to 1933. Danfoss is family-owned, employing more than 40,000 people, serving customers in more than 100 countries through a global footprint of 95 factories.

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