

**Declaration of Conformity with Corporate Governance pursuant to Section 161 of the German Stock Corporation Act (AktG) of December 2014**

Corporate governance enjoys high priority at Masterflex SE. Masterflex's corporate principles are based on responsible management and supervision of the company geared towards long term value creation. Key aspects of this corporate governance are efficient cooperation between the Executive Board and the Supervisory Board, protecting shareholders' interests and open and transparent corporate communications.

In accordance with § 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board are required to submit an annual declaration stating that the company has complied with, and will comply with the recommendations of the Government commission on the German Corporate Governance Code published by the German Federal Ministry of Justice in the official section of the electronic Federal Gazette, or stating which recommendations have not or will not be applied and why this declaration of conformity is to be made permanently available to shareholders. The declaration of conformity for the 2013 financial year was submitted in December 2012 and remains available for inspection on the website.

The vast majority of the provisions and recommendations of the German Corporate Governance Code (in short: Code or DCGK) have long been embodied in Masterflex's corporate culture. The Company follows the recommendations of the Code. Any deviations from the Code are explained below.

**The Declaration of Conformity of 10<sup>th</sup> December 2014 is worded as follows:**

***Declaration of Conformity to Corporate Governance pursuant to § 161 of the German Stock Corporation Act***

*The term "corporate governance" refers to responsible corporate management and control aimed at long-term value creation. Key aspects of good corporate governance are efficient co-operation between the Executive Board and the Supervisory Board, respect for shareholder interests, and openness and transparency in corporate communications.*

*Masterflex SE is a European stock corporation. In line with the SE Ordinance, the law of the*

*stock company according to German law also applies. Accordingly, the Company is managed by the Executive Board and the Supervisory Board.*

*Masterflex SE places high value on corporate governance. The Executive Board and the Supervisory Board have worked closely together from the very start in the best interests of the Company and have maintained intensive and on-going dialogue on the Company's development.*

*The Code sets out the material statutory provisions on the management and supervision of German listed corporations and contains internationally and nationally recognised standards of prudent and responsible company management (in the form of "recommendations and suggestions"). The Code aims to make the German system of corporate governance transparent and understandable. The legal provisions reflected in the Code must be observed and complied with by the Company without exception. The Company is allowed to deviate from the recommendations contained in the Code. The Foreword of the Code specifically allows for such deviations, which are intended to contribute to "flexibility and self-regulation in German corporate constitution".*

**The Executive Board and Supervisory Board of Masterflex SE declare that the recommendations of the previous version of the Code dated 13 May 2013 have been observed since the last declaration of conformity in December 2013 with the exceptions stated therein and the Code version dated 24 June 2014 has been and will continue to be observed with the exceptions stated below. This declaration has been made permanently accessible to shareholders of Masterflex SE on our website. The website also contains all previously published versions of the Declaration of Conformity.**

*Exceptions*

#### **4.2.2 External compensation expert**

*Should an external compensation expert be considered necessary in order to assess the appropriateness of the Executive Board compensation, the independent status of such an expert will also be ensured. Due to the expertise already available in the Supervisory Board,*

*two members of which are financial auditors, as well as the qualified support from the Company's legal advisors, it has never been considered necessary to seek the additional services of a separate, independent compensation expert.*

### **5.3. Supervisory Board – committees**

*With a total of three members, the Masterflex SE Supervisory Board is deliberately kept small in order to allow resolutions to be passed efficiently, rapidly and flexibly on streamlined structures, as is the case throughout the Group. The appointment of recognised experts to the Supervisory Board is an important factor in Masterflex SE's successful development, as it allows major strategic decisions to be reached on a joint basis and in a spirit of continuous dialogue. As such, the formation of committees, which would also have to be composed of at least three Supervisory Board members, is not considered to be practicable.*

*We have a recognised financial expert on our Supervisory Board in the form of Mr. van Hall. He will have the added support of Mr. Klomp, also a financial auditor. Where necessary, the Supervisory Board calls on qualified external help in order to assess difficult matters.*

#### **5.4.6 Section 1 sentence 2 Supervisory Board compensation**

*The Supervisory Board compensation resolved by the Annual General Meeting does not provide extra compensation for the activities of the Chairman or Deputy Chairman as a differentiation of this kind would be meaningless for the Company and the allocation of tasks within the Supervisory Board due to the small size of the Supervisory Board and the burden of work assigned to all members of the Supervisory Board.*

#### **7.1.4. Publication of the results of subsidiaries**

*The Code requires the publication of the results of the Company's individual subsidiaries for the past financial year in the annual financial statements. In this point, we deviate from the Code in that we do not publish these results. Our subsidiaries are medium-sized companies, and we believe that their competitive position could be adversely affected through publication of their results.*

Gelsenkirchen, 10 December 2014