

Declaration of Conformity with Corporate Governance Pursuant to Section 161 of the German Stock Corporation Act (AktG)

The term corporate governance refers to responsible corporate management and supervision aimed at creating long-term enterprise value. Key aspects of good corporate governance are efficient cooperation between the Executive Board and Supervisory Board, protecting shareholders' interests and open and transparent corporate communications. Masterflex AG is a stock corporation in accordance with German law. Accordingly, the Company is managed by the Executive Board and Supervisory Board. Corporate governance enjoys high priority at Masterflex AG. The Executive Board and Supervisory Board have worked closely together from the very start in the best interests of the Company and have maintained intensive and ongoing 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 is intended to improve the transparency and better the understanding of the German corporate governance system. The legal provisions reflected in the Code must be observed and complied with by the Company without exception. The Company is not bound to comply with the recommendations contained in the Code. Such deviations are expressly provided for in the preamble to the Code, and are intended as a contribution to "more flexibility and more self-regulation in German corporate constitution".

The Executive Board and Supervisory Board of Masterflex AG declare that the recommendations of the previous version of the Code dated 26 May 2010 have been observed since the most recent version of the declaration of conformity dated April 2011 with the exceptions stated therein and continues to be observed with the exceptions stated below. The declaration of conformity is permanently available to Masterflex AG shareholders on the Company website. All of the Company's previous declarations of conformity can also be accessed via this link.

Exceptions

2.3.3 Sentence 2 Postal vote

In section 2.3.3 sentence 2, the Code recommends that the Company should assist shareholders in the use of postal votes and proxies. The Articles of Association of Masterflex AG have not provided for a postal vote option, which would be an essential requirement for its implementation so that, strictly speaking, the Company does not deviate from the Code recommendations because these require the feasibility of performance.

In our view, however, postal votes have not yet been adequately tested and, in particular, there are difficulties in determining the authenticity of the votes cast. In addition, Masterflex AG already gives its shareholders the opportunity to authorise a proxy named by the Company to exercise their voting right. Therefore, the shareholders already have the opportunity to cast their vote before the day of the Annual General Meeting, and particularly to participate in electoral decisions, meaning that the additional option of a postal vote would not make it significantly easier to exercise voting rights overall.

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 AG Supervisory Board is deliberately kept small in order to allow resolutions to be passed efficiently, rapidly and flexibly via streamlined structures, as is the case throughout the Group. The appointment of recognised experts to the Supervisory Board is an important factor in Masterflex AG'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 3 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, 20 March 2012