

## **Declaration of Conformity with Corporate Governance pursuant to Section 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 Code on basis of the current version dated of 7 February 2017 have been observed since the last declaration of conformity in December 2016 with the exceptions stated thereafter. 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 as well as the qualified support from the Company's legal advisors, it has thus far not 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 quickly, efficiently and flexibly through streamlined structures, as is the case throughout the Group. The appointment of recognised experts to the Supervisory Board is a key pillar of Masterflex SE as it enables us to set the course for successful company growth through continual dialogue. In this context, establishing committees, which would also be required to have three members from the Supervisory Board, is illogical.*

*Supervisory Board Chairman Mr van Hall is an established financial expert. Where necessary, the Supervisory Board calls on qualified external help in order to assess difficult matters.*

Gelsenkirchen, December 2017

Executive Board & Supervisory Board