

## **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 (German Corporate Governance Code of December 16, 2019), also in its revised and restructured version, presents essential statutory regulations for the management and supervision of German listed stock corporations and contains internationally and nationally recognized standards of good and responsible corporate governance (consisting of so-called recommendations and suggestions). The Code is intended to make the German corporate governance system transparent and comprehensible. The legal regulations presented in the Codex are to be observed and complied with by the company without exception. The company may deviate from the recommendations contained in the Code. Such deviations are expressly provided for in the preamble of the Code and serve the best possible corporate governance through self-regulation and transparent declaration of the Code's contents.

**The Board and Supervisory Board of Masterflex SE declare that the recommendations of the Code in the version dated 7 February 2017 have been complied with to date, with the exception of the deviations listed in the last declaration of conformity dated December 2019, and that the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 16 December 2019 will be complied with in future, with the following deviations. 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:

## B.2 HS2.

The procedure for appointing members of the Board of Management follows the usual standards for important personnel decisions and is designed with foresight by the Supervisory Board; however, it is not described in detail in the declaration on corporate governance.

## D.2 S.1 – D.3 and D.4 S.2 - D.5 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.

## G 5. 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.

## G 6 and G. 10 S.1 – G.10 S.2

The long-term variable compensation (LTI) of the Executive Board members is not greater than the short-term variable compensation (STI) and is not share-based or invested in

shares. The members of the Executive Board already hold a significant share in the Company's capital stock, which is why the long-term orientation of the variable compensation based on the performance of the shareholding, as intended by the Code, is guaranteed in any case. As before, after three years, the members of the Executive Board can dispose of the variable amounts granted as LTI with continuous performance measurement over the entire assessment period, which also continues to reflect the characteristic of multi-year ownership.

#### G. 11 S.2

A so-called claw-back was not agreed with the members of the Board of Management, as from the point of view of the Company and in view of its previous management structure, this would not have a separate behavioral control effect, but would regularly result in an increase in remuneration from a risk perspective.

#### G. 13 S.2, G. 14 and G.16

As in the past, a change of control regulation is planned with the members of the Board of Management, which in the past also complied with a recommendation of the Code, which the Company still considers to be reasonable in the future. Payments in consideration of a post-contractual non-competition clause agreed with the Company will not be credited. There is also no crediting of compensation for external Supervisory Board mandates, which are limited in number and require prior approval by the Supervisory Board.

Gelsenkirchen, December 2020

Vorstand und Aufsichtsrat