

Declaration of Conformity by the Board of Management and the Supervisory Board

of KSB Aktiengesellschaft

concerning the recommendations of the

**Government Commission on the
German Corporate Governance Code**

pursuant to Article 161 of the Stock Corporation Act (AktG)

The Board of Management and the Supervisory Board of KSB Aktiengesellschaft welcome the German Corporate Governance Code specifying principles of management and supervision. The Code largely coincides with the management and supervision practices of the management bodies of KSB Aktiengesellschaft. KSB Aktiengesellschaft has adopted the recommendations expressed in the Code with the following exceptions:

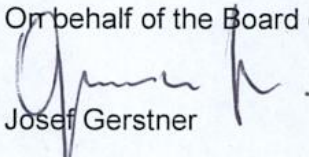
1. The Supervisory Board specifies the Board of Management's information and reporting duties on a case-to-case basis. No written rules governing reporting by the Board of Management are in place (item 3.4 of the Code).
2. As regards the D&O (directors and officers' liability insurance) policy taken out by the company for the Board of Management and Supervisory Board, no deductible has been agreed upon (item 3.8 of the Code).
3. Compensation of the members of the Board of Management is reported in the Notes to the Consolidated Financial Statements, but not subdivided according to fixed, performance-related and long-term incentive components (item 4.2.4 of the Code).
4. The Supervisory Board has not issued Terms of Reference (item 5.1.3 of the Code).
5. The Supervisory Board has not set up an Audit Committee (item 5.3.2 of the Code).
6. No age limit has been specified for the members of the Supervisory Board (item 5.4.1 of the Code).
7. Compensation of the members of the Supervisory Board or advantages extended for services provided individually, in particular advisory or agency services, are not listed separately and subdivided according to components in the Notes to the Consolidated Financial Statements (item 5.4.5 of the Code).
8. The Supervisory Board does not examine the efficiency of its activities on a regular basis (item 5.6 of the Code).
9. KSB publishes the Consolidated Financial Statements well before expiry of the time periods provided by law. However, the time period provided by the Code, i.e. within 90 days of the end of the financial year, are not met (item 7.1.2 of the Code).

Signed in Frankenthal on 19 December 2002

On behalf of the Supervisory Board


Dr. Wolfgang Kühborth

On behalf of the Board of Management


Josef Gerstner