

**Statement by the Board of Management and the Supervisory Board  
of KSB Aktiengesellschaft  
on Compliance with the Recommendations of the  
Government Commission on the German Corporate Governance Code  
pursuant to section 161 AktG (German Public Companies Act)**

Since the publication of last statement of compliance on 8 December 2010 KSB Aktiengesellschaft, Frankenthal (Pfalz), has complied and continues to comply with the recommendations of the Government Commission on the German Corporate Governance Code as set out in the version dated 26 May 2010, with the exception of the following:

1. With the exception of an age limit, the Supervisory Board does not specify concrete objectives regarding its composition (subsection 5.4.1, paragraphs 2 and 3).

Reason:

We appreciate the diversity in the composition of the Supervisory Board aimed at by the Code, which will generally be conducive to the interests of the company. To date, we have always followed this principle. However, we take a critical view of detailed specifications, in particular of quota systems, as we believe that this would make it more difficult to ensure an appropriate and adequately flexible composition of this body.

2. The total amount of the remuneration paid to the members of the Supervisory Board for their service on the Board, as well as of remuneration or advantages extended for services provided individually, in particular advisory or agency services, is disclosed in the Notes to the Consolidated Financial Statements, but in the Corporate Governance Report the remuneration is disclosed neither separately for each member nor classified by components (subsection 5.4.6, paragraph 3).

Reason:

The remuneration of the Supervisory Board members is described in detail in the Articles of Association; they can be referred to for information on the individual remuneration components in relation to the functions assumed on the Supervisory Board. Beyond that, we prefer to provide summarised information about the remuneration of the members of the Supervisory Board rather than breaking it down into the compensation paid to the individual members and the components it contains, as we do not believe that the latter would provide any additional benefits for shareholders or the development of the company.

Frankenthal, 7 December 2011

For the Supervisory Board

  
- Dr. Hans-Joachim Jacob -

For the Board of Management

  
- Dr. Wolfgang Schmitt -