



Compliance Reporting Policy

I. POLICY:

It is the policy of Omega Flex, Inc., and its subsidiaries, (collectively referred to as the “Company”), that the officers and employees of the Company continue to have the opportunity to express any concerns they may have regarding any accounting, internal accounting controls or auditing matters. All reports will be reviewed or investigated by the Company’s Compliance Officer. The results of such reviews and/or investigations will be reported to the Audit Committee of Omega Flex, Inc., which shall direct appropriate remedial measures.

II. PURPOSE:

To establish and maintain a system by which (i) concerns regarding accounting, internal accounting controls or auditing matters are reported, investigated, and remedied; and (ii) in conjunction with appropriate training, continues to foster a culture of corporate compliance through the prompt and thorough handling of such reports, including any remedial or disclosure measures, and when necessary appropriate disciplinary action.

III. APPLICABILITY:

This Policy shall be implemented and applicable to each officer and employee of Omega Flex, Inc. and its direct and indirect subsidiaries.

IV. PROCEDURAL GUIDELINES:

To assist in the administration of this Policy, the Company has established these guidelines and procedures for the reporting of suspected non-compliance and concerns.

Reporting Procedure. The Company designates its Internal Audit Manager, with the assistance of its Compliance Counsel as the Company’s Compliance Officers. As part of its commitment to ethical and legal conduct, the Company expects its officers, and employees to report concerns described in this Policy to the attention of the Compliance Officer. Employees may also discuss these matters with their supervisors, managers, or human resources manager, if appropriate.

The Company will establish a secure telephone number and web-based message system to enable complaints or concerns to be expressed by a reporting individual to the Compliance Officer. Employees may also report such concerns directly to the Compliance Officer in writing, in person, or by telephone. All reports will be handled in a confidential manner and may be made anonymously at the discretion of the reporting person. Set forth below is the contact information for persons designated by this Policy to receive compliance reports:

Internal Audit Manager

Telephone

Email

Address

451 Creamery Way
Exton, PA 19341

Compliance Counsel:

Telephone

Email

Address

Timothy P. Scanlan
413/564-5849
tscanlan@mestek.com
260 North Elm Street
Westfield, MA 01085

Complaint Hotline:

Telephone

Website

Mail Address

413/564-5658 or toll free at 800/880-6503
<http://www.>
Internal Audit Department
451 Creamery Way
Exton, PA 19341

(Employees may also complete and submit the form attached hereto.)

Investigation. The Compliance Officer shall promptly investigate any report of a violation of the Company's policies or any other impropriety regarding the Company's accounting, internal financial controls, or auditing matters. Employees are required to cooperate in the investigation of reported violations. After the investigation is complete, the Compliance Officer shall submit his/her findings to the Audit Committee for further action. A written record of the investigation shall be maintained in the Company's records. After investigation, if a violation of applicable law or standards has been found, the Audit Committee, in consultation with the Compliance Officer, shall determine the appropriateness of reporting the violation to the proper authorities and promptly shall make, or cause to be made, any required disclosure. The Compliance Officer shall periodically report to the Audit Committee a summary of all complaints received, the status or findings of the investigations made in respect thereto, and all remedial measures undertaken by the Company's management to address such compliance issues.

Confidentiality. To the extent practical and appropriate under the circumstances to protect the privacy of the person or persons involved, and so long as permitted by law, the Compliance Officer will not disclose the identity of anyone who reports a concern or who participates in the investigation. Directors, officers and employees should be aware that the Compliance Officer and those assisting him or her are obligated to act in the best interests of the Company, and do not act as the personal representatives or lawyers for the complaining or reporting person.

Anti-Retaliation. No employee shall be penalized in any respect for reporting a concern, where such employee is not otherwise engaged in the reported activity, nor has

intentionally impeded the investigation or uncovering of the activity. Retaliation in any form against an individual, who reports any suspected improper accounting, internal accounting controls or auditing matter, even if such report is unfounded, or who assists in the investigation of such a reported violation or suspected violation, is itself a serious violation of Company policies. Acts of retaliation should be reported immediately in accordance with this Policy and will be promptly investigated and addressed.

Date: May 3, 2005
Revision: Original

OMEGA FLEX, INC.

CONFIDENTIAL

To: *COMPLIANCE OFFICER*

Date: _____

Re: Accounting, Internal Accounting Controls and Auditing Concerns

This form may be used to report concerns regarding accounting, internal accounting controls or auditing matters. Use specific detail in describing the offense.

Date of Alleged Violation: _____

Location: _____

Identity of Individuals Involved: _____

Description of concern (provide details): _____

Optional Information

Name: _____

Location: _____
