

PALL CORPORATION

CORPORATE GOVERNANCE POLICY

(Effective as of October 9, 2014)



CORPORATE GOVERNANCE POLICY

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A. Preamble

The Board of Directors (the “**Board**”) of Pall Corporation (the “**Company**”) has adopted the following corporate governance policy (this “**Policy**”) for the Company. This Policy reflects the Board’s commitment to monitor the effectiveness of policy and decision-making both at the Board and management level with a view to enhancing shareholder value over the long term and being a good corporate citizen. This Policy will continue to be updated as circumstances warrant. Certain capitalized terms used in this Policy and not specifically defined in this Policy have the meaning given them in Annex D.

B. Composition of the Board

1. Size of the Board

Consistent with the Company’s Certificate of Incorporation and by-laws, the Board believes that the size of the Board should be eleven.

2. Selection of Directors

The Board is responsible for selecting candidates for directorship and in recommending them annually for election by shareholders at the next annual meeting of shareholders. The Board has delegated the initial selection and evaluation of potential Director candidates to the Nominating/Governance Committee with input from the Chairman of the Board. In accordance with Section 712 of the New York Business Corporation Law, the Board is responsible for submitting the Director nominees to shareholders for election at the next annual meeting of shareholders; *provided, however*, the Board shall only nominate a candidate who agrees to tender to the Board promptly following the annual meeting of shareholders at which he or she is elected or re-elected as a Director, an irrevocable resignation of such directorship to be effective upon (a) the failure to receive the required number of the votes cast at the next meeting at which such Director is nominated for re-election; and (b) the Board’s decision to accept such resignation.

The invitation to join the Board will be extended by the Board itself, through the Chairman of the Board and/or the Chairman of the Nominating/Governance Committee. Pursuant to the Company’s by-laws, the Board may, in certain circumstances, elect Directors. In such circumstances, the Board shall elect a director candidate who agrees to tender, promptly following his or her election to the Board, a resignation to be effective on the same basis as the resignations tendered by the other Directors in accordance with this Section.

Shareholders wishing to nominate a Director should follow the procedures set forth in Annex A.



3. Board Membership Criteria

To be considered for new membership on, and re-nomination for election, to the Board, a candidate must meet the following criteria (“**Criteria**”): (a) the Criteria set out in Sections B.4 - B.7 of this Policy; and (b) those criteria which are set forth in Annex B. In selecting Director candidates (new or re-nominated), the Nominating/Governance Committee also seeks to assure that specific talents, skills and other characteristics that are needed to increase the Board’s effectiveness are possessed by an appropriate combination of Directors.

4. Independence

Independent Directors must comprise a supermajority of two thirds of the Company’s entire Board. Independence will be determined in accordance with the standards set forth in Annex C. If any relationship (direct or indirect) exists between the Company and any Director that is not addressed by the standards set forth in Annex C, the Directors meeting these standards will determine whether such relationship is material and impairs the independence of such Director. In assessing the materiality of any existing or proposed Director’s relationship with the Company, the Board will consider all relevant facts and circumstances. However, as the concern is independence from management, ownership of a significant amount of the Company’s stock does not by itself preclude a determination of independence under applicable law and listing standards. A Director who is determined (after application of the above standards) independent is hereafter referred to as an “**Independent Director.**” If a change in circumstance affects an Independent Director’s continuing independence, that Director is expected to offer to submit his or her resignation to the Board. The Nominating/Governance Committee will promptly determine whether to accept the offer to resign in light of all the facts and circumstances.

5. Election of Directors

In accordance with the Company’s by-laws, if none of the shareholders provides the Company notice of an intention to nominate one or more candidates to compete with the Board’s nominees in a Director election, or if our shareholders have withdrawn all such nominations by the tenth (10th) day before the Company mails its notice of meeting to our shareholders, a director nominee must receive more votes cast “for” than cast “against” his or her election or re-election in order to be elected or re-elected to the Board.

The Board expects an incumbent Director to tender his or her resignation if he or she fails to receive the required number of votes for re-election. The Nominating/Governance Committee will act on an expedited basis to determine whether to accept a Director’s resignation and will submit such recommendation for prompt consideration by the Board. The Board expects the Director whose resignation is under consideration to abstain from participating in any decision



regarding such resignation. The Nominating/Governance Committee and the Board may consider any factors they deem appropriate and relevant in deciding whether to accept a Director's resignation submitted upon his or her failure to receive the required vote for re-election.

6. Participation on Other Boards

Ordinarily:

- (a) Directors who also serve as chief executive officers or in equivalent positions should not serve on more than two boards of public companies in addition to the Company Board, and
- (b) other Directors should not serve on more than four other boards of public companies in addition to the Company Board.

In addition, if an Audit Committee member simultaneously serves on the audit committee of more than three public companies, the Board must determine that simultaneous service does not impair the Director's ability for effective service on the Committee. Such determination will be disclosed as required by applicable law and listing standards.

7. Retirement Age

Employee Directors will retire from the Board at the time their employment with the Company ceases unless continued service as a Director is approved by the Board.

Subject to the discretion of the Board to determine otherwise, no Director may stand for re-election to the Board after reaching age 72.

8. Additional Independence Criteria for Audit Committee Members

The Board is also responsible for determining the qualification of an individual (a) to serve on the Audit Committee; and (b) to serve as a designated "audit committee financial expert" (as defined in applicable rules of the Securities and Exchange Commission). The Nominating/Governance Committee will coordinate with the Board in evaluating whether any Director candidates or Directors proposed for re-nomination would qualify as audit committee financial experts.

In addition to being an Independent Director, each member of the Audit Committee must not, except in his or her capacity as a member of the Audit Committee, the Board or any other Board Committee of the Company: (a) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof; or (b) be a current or former Affiliate of the Company or any subsidiary thereof. A person will not be deemed an Affiliate of



the Company after five years following termination of its relationship with the Company.

As an amplification of the foregoing:

- (a) Director's fees (including fees for service on Committees and equity based awards) must be the sole compensation that an Audit Committee member receives from the Company.
- (b) A former employee of the Company who later qualifies as an Independent Director will not be barred from chairing or serving as a voting member of the Audit Committee merely because he or she receives a pension or other form of deferred compensation from the Company for his or her prior service (provided such compensation is not contingent in any way on continued service as a Director).
- (c) Neither an Audit Committee member nor his or her firm may receive any fees from the Company, directly or indirectly, for services as a consultant or a legal or financial adviser. This applies without regard to whether the aforesaid Committee member is directly involved in rendering any such services to the Company.

Audit Committee members must also in the judgment of the Board, be financially literate and have the ability to read and understand the Company's financial statements at the time of his or her appointment (or within a reasonable time thereafter).

9. Additional Independence Criteria for Compensation Committee Members

In affirmatively determining the independence of any Director who will serve on the Compensation Committee, the Board must consider all factors specifically relevant to determining whether such Director has a relationship to the Company which is material to the Director's ability to be independent from management in connection with the duties of a Compensation Committee member, including, but not limited to: (a) the source of the Director's compensation, including any consulting, advisory or other compensatory fees paid by the Company to such Director; and (b) whether the Director is affiliated with the Company, a subsidiary of the Company or an affiliate of a subsidiary of the Company.

10. Change In Directors' Corporate Affiliations

If a Director's principal occupation or business association changes (including changes in employer, retirement, new directorships), or if other similarly material changes in a Director's circumstances occur that affect an Independent Director's



independence, such Director will (a) promptly notify the Chairman of the Board; and (b) offer to submit his or her resignation to the Board. If a Director is considering resigning for any other reason, such Director shall (a) notify the Chairman of the Board; and (b) offer to submit his or her resignation to the Board. The Nominating/Governance Committee will promptly determine whether to accept the offer to resign in light of all the facts and circumstances. In some instances, it may be appropriate for such person to be replaced as a member of one or more Board Committees even if such person is retained as a Director.

11. No Pre-Determined Term Limits

The Board does not believe arbitrary term limits for Directors are appropriate. The Nominating/Governance Committee will consider each Director's continued service at the end of his or her term in connection with its evaluation of such Director's re-nomination for election to the Board. In connection with that evaluation, the Director will have an opportunity to confirm his or her desire to continue as a member of the Board.

C. Board Leadership

1. Selection of Chairman and Chief Executive Officer

The Board will decide whether it is best for the Company at a given point in time for the roles of the Chief Executive Officer and Chairman of the Board to be separate or combined and, if separate, whether the Chairman should be selected from the Independent Directors or be an employee of the Company.

2. Chairman of the Board

The Board has determined, as of October 3, 2013, that the roles of the Chief Executive Officer and Chairman of the Board should be combined. The Board retains the discretion to change this policy as it deems to be in the best interest of the Company in the future.

3. Lead Director

Whenever the Chairman of the Board is not an Independent Director, the Independent Directors will: (a) select annually from among themselves a Lead Director; or (b) adopt a procedure for selecting from among themselves a specific Lead Director. The Lead Director or the procedure for selecting the Lead Director will be disclosed as required by applicable law and listing standards.

The Lead Director's responsibilities will include the following:



- (i) call and preside or chair all separate meetings of the Non-Management Directors (as defined in Annex D of this Policy) of the Board held pursuant to Section H.3 of this Policy;
- (ii) preside at all meetings of the Board in the absence of the Chairman of the Board;
- (iii) prepare the agenda and establish the frequency of the separate meetings of the Non-Management Directors and approve materials for meetings of Non-Management Directors, it being understood that agenda preparation is expected to be a collaborative process among the Non-Management directors with input under appropriate circumstances from management and Non-Management directors;
- (iv) brief, as appropriate, management directors about the results of deliberations among Non-Management directors;
- (v) serve as a liaison between the Chairman of the Board and the other Non-Management Directors;
- (vi) collaborate with the Chairman of the Board regarding all information sent to the Board, including the quality, quantity, appropriateness and timeliness of such information;
- (vii) collaborate with the Chairman of the Board regarding and approve meeting agendas for the Board;
- (viii) collaborate with the Chairman of the Board regarding and approve Board meeting schedules, assuring there is sufficient time for discussion of all agenda items; and
- (ix) be available, when appropriate, for consultation and direct communication with shareholders.

D. Board Compensation and Performance

1. Board Compensation

Only Non-Management Directors will receive compensation for services as a Director. As part of a Director's total compensation and to create a direct linkage with corporate performance, the Board believes that a meaningful portion of a Director's compensation should be provided in, or otherwise based on, the value of long-term appreciation in the Company's common stock.

The Compensation Committee will report every two years to the Board regarding the status of the Board and Committee compensation in relation to other comparable U.S. companies. Changes in Board and Committee compensation, if any, will be recommended by the Compensation Committee and approved by the



Board.

2. Director Stock Ownership Guidelines

The Board believes that it is important for each Director to have a proprietary interest in the Company to help align the Director's interest with those of the Company shareholders. To meet this objective, the Company's Stock Ownership Guidelines for Non-employee Directors and for Executive Officers (the "**Guidelines**") require each Non-Management Director to own Company stock equivalent in value to five times (5X) such Director's annual cash retainer ("**Ownership Level**"). This Ownership Level must be met within three years from the date the Non-Management Director is elected or appointed to the Board. Adherence to the Guidelines is measured on the first trading day of the Company's fiscal year, based on such Non-Management Director's annual retainer at that time and the value of their current holdings, utilizing the closing price of the Company stock on such day (or, if not a trading day, the immediately preceding trading day). Once a Non-Management Director attains the Ownership Level, he or she will not be considered to fall out of compliance solely due to subsequent stock price declines (for the avoidance of doubt, changes in stock ownership due to sales of Company stock by a Non-Management Director may result in such Director falling out of compliance with the Guidelines). Shares owned (or beneficially owned) by a Non-Management Director, unvested Restricted Stock Units or Performance Restricted Stock Units and shares issued upon the vesting of Restricted Stock Units, Performance Restricted Stock Units and any other units representing a right to receive shares, including shares with respect to any units that have become vested but for which payment or delivery has been deferred, shall be counted towards reaching the Ownership Level.

3. Assessing the Performance of the Board as a Whole

The Nominating/Governance Committee will oversee the self-evaluation by the Board and each Committee to determine their effectiveness and opportunities for improvement and report annually to the Board regarding its conclusions. The purpose of this assessment is to increase the effectiveness of the Board as a whole, not to focus on individual Board members. As contemplated by Section B.3 of this Policy and the Nominating/Governance Committee Charter, the Nominating/Governance Committee will evaluate incumbent Directors when determining whether they should be nominated for re-election to the Board.

E. Board of Directors' Responsibilities

The Board represents the shareholders' interest in perpetuating a successful business and optimizing long-term financial returns in a manner consistent with applicable legal



requirements and ethical considerations. The Board is responsible for identifying and taking reasonable actions to help assure that the Company is managed in a way designed to achieve this result. Each Director is expected to be familiar with the Company's business and public disclosures, to review in advance of Board meetings all related materials distributed to the Board and, subject to unavoidable circumstances, to attend and participate in all meetings of the Board and of any Committee of which such Director is a member, and the annual meeting of shareholders.

Specifically, the Board, as a body or through its Committees should:

1. Select, Evaluate the Performance of and Retain the Chief Executive Officer; Oversee Selection and Evaluation of the Performance of Other Executive Officers; Plan for Succession – The Board, with assistance from the Nominating/Governance Committee and the Compensation Committee, has the responsibility to select, evaluate the performance of and make decisions about the retention of the Chief Executive Officer, to oversee the selection and evaluation of the performance of other Executive Officers to plan for management succession, and to monitor on a regular basis the effectiveness and execution of management strategies and decisions in optimizing the Company's long-term financial returns in a manner consistent with applicable legal requirements and ethical considerations. In that connection, the Board shall oversee management's leadership development initiatives for the Chief Executive Officer and the Executive Officers, and, at least annually, review management's short- and long-term succession plans with respect to the Chief Executive Officer and other Executive Officers, including in the case of unanticipated vacancies in those offices.

In selecting the Chief Executive Officer and reviewing possible successors, the Board shall identify and periodically update the skills, experience and attributes that they believe are required to be an effective Chief Executive Officer in light of the Company's business strategy, prospects and challenges.

In carrying out these responsibilities (as they relate to all Executive Officers), the Board shall take into account, among other considerations, perspectives provided by the incumbent Chief Executive Officer and information relating to the performance of internal candidates provided by the Compensation Committee. In considering the appropriateness of the Company's leadership development and assessment process for the Chief Executive Officer position, the Board shall also consider whether Directors have sufficient familiarity with senior management to make informed decisions about Chief Executive Officer succession.

2. Review and Monitor the Company's Financial Strategy and Objectives, Including Strategic Plans; Sources and Uses of Cash; Principal Portfolio Transactions; Annual Operating Plans; Capital Structure; Capital Spending and Allocation; and Financial Risks



3. Through the Audit Committee, which has Sole Responsibility, Select, Appoint and Oversee Independent Auditors; Oversight of Financial Statements – The Audit Committee has sole responsibility to appoint, to determine the compensation of and, when and if deemed advisable, to replace the registered public accounting firm that audits the Company’s financial statements. The Audit Committee also has sole responsibility to pre-approve the engagement terms and the provision of any audit and permitted non-audit services performed by such accounting firm for the Company. The Audit Committee will have direct responsibility for monitoring the performance and continuing independence of such accounting firm, as well as overseeing the financial statements prepared by management, with the goal of assuring that they fairly present the Company’s financial condition, results of operations, cash flows and related risks in a clear and understandable way.

4. Advise Management on Significant Issues Facing Company

5. Review and Approve Significant Company Actions and Certain Other Matters – The Board will review and approve significant actions by the Company, including election of Elected Officers, declaration of dividends, off-balance sheet transactions; issuance or repurchase of debt or equity, significant expenditures and major corporate transactions. In addition, the Board is responsible for approving certain actions by the Company as required by the by-laws, this Policy, the attachments to this Policy or policies referenced and incorporated herein by reference and any other Company policies that may be adopted from time to time by the Board, or as otherwise required by any applicable law and listing standards.

6. Oversee with the Assistance of the Audit Committee, the Compensation Committee and the Executive Committee, the Company’s Risk Assessment Processes, Enterprise Risk Management Program and Ensure the Company has Appropriate Procedures in Place to Manage Risks and Handle Crises

7. Nominate Directors and Committee Members and Oversee Effective Corporate Governance – The Board and the Nominating/Governance Committee are responsible for (a) evaluating and nominating Directors and members of Board Committees; (b) overseeing the structure and practices of the Board and the Committees; and (c) overseeing other corporate governance/public policy matters.

8. Consider Other Constituencies – In addition to fulfilling its obligations to shareholders, the Board should, as appropriate, consider the interests of other constituencies, including customers, employees, suppliers and the communities where the Company operates – all of whom are essential to a successful business.



F. Management's Responsibilities

Management is responsible for operating the Company in an effective, ethical and legal manner designed to produce value for the Company's shareholders consistent with the Company's policies and standards, including this Policy. Specifically, the Chief Executive Officer and other senior management are responsible for:

- 1. Financial Statements and Disclosures** – producing, under the oversight of the Board and the Audit Committee, financial statements that fairly present the Company's financial condition, results of operations, cash flows and related risks in a clear and understandable way, for making timely and complete disclosures to investors, and for keeping the Board and the appropriate Committees of the Board well-informed on a timely basis as to all matters of significance to the Company.
- 2. Setting a Strong Ethical Tone** – Management, and especially the Chief Executive Officer and senior management, are responsible for setting a “tone at the top” and “tone in the middle” of integrity, ethics and compliance on the part of all persons associated with the Company, with applicable legal requirements and with the Company's policies and standards.

Senior management is additionally responsible for understanding the Company's income-producing activities and the material risks being incurred by the Company and also is responsible for avoiding conflicts of interest with the Company and its shareholders. Specifically, the Chief Executive Officer and other senior management are responsible for:

- a. Strategic Planning** – developing and presenting to the Board the Company's strategic plans and for implementing those plans as may be approved by the Board.
- b. Annual Operating Plans and Budgets** – developing and presenting to the Board the Company's annual operating plans and annual budgets and for implementing those plans and budgets as approved by the Board.
- c. Effective Management and Organizational Structure** – selecting qualified members of management and for implementing and working within an effective organizational structure appropriate for the Company's particular circumstances.
- d. Internal Control over Financial Reporting** – developing, implementing and monitoring an effective system of internal control over financial reporting to provide reasonable assurance that: the Company's transactions are properly authorized; the Company's assets are safeguarded against unauthorized or improper use; and the Company's transactions are properly recorded and reported. Such internal control



over financial reporting also will be designed to permit preparation of financial statements for the Company in conformity with generally accepted accounting principles or any other criteria applicable to such statements.

- e. **Disclosure Controls and Procedures** – establishing, maintaining and evaluating controls and other procedures that are designed to ensure that information required to be disclosed by the Company in the reports filed by it under the Securities Exchange Act of 1934, as amended, is accumulated, recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms (“**disclosure controls and procedures**”), including controls and procedures designed to ensure that information communicated to the Company’s management, including its principal executive and financial officers, to allow timely decisions regarding required disclosure.
3. **Chief Executive Officer** – In addition to the responsibilities outlined above, the Chief Executive Officer shall also be responsible for:
- a. **Management**
 - (i) providing general direction and management of the day-to-day business affairs of the Company, taking into account the directions of the Board and its committees and the Company policies.
 - (ii) ensuring that there is an effective and active plan for the development and succession of management and, in cooperation with the Board, that there is an effective succession plan for the Chief Executive Officer position.
 - (iii) ensuring that the appropriate policies are adopted by the Company and overseeing the implementation of such policies.
 - b. **Strategy and Operations**
 - (i) ensuring the continuous improvement in the quality and value of the products and services provided by the Company.
 - (ii) ensuring the overall competitiveness of the Company.
 - c. **Governance**
 - (i) ensuring that the Board is informed of all matters of importance regarding the Company.
 - (ii) serving as the primary spokesperson for the Company.



G. Board Relationship to Senior Management

1. Board Access to Senior Management

The Board (meeting as a whole, as well as the Non-Management Directors meeting separately and each Director individually) and each Board Committee will have complete access to the Company's management.

The Board encourages Executive Officers to bring non-executive managers to Board meetings, from time to time, who: (a) can provide additional insight into the items being discussed because of personal involvement in those areas; or (b) represent non-executive managers with future potential that senior management believes should be given exposure to the Board.

2. Board's Interaction with Institutional Investors, Press and Customers

The Board believes that the Company's management has the authority and responsibility to provide the public spokesperson(s) for the Company. Individual members of the Board may, from time to time at the request of senior management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board or the Lead Director.

H. Meeting Procedures

1. Selection of Agenda Items for Board Meetings

The Chairman of the Board (and the Chief Executive Officer if the Chairman is not the Chief Executive Officer) will establish the agenda for each Board meeting and will include in each such agenda any item submitted by the Lead Director, if such position is occupied, in accordance with Section C.3(viii) of this Policy. Each Board member may suggest the inclusion of items on the agenda.

2. Board Materials Distributed in Advance

Management will be responsible for assuring that, as a general rule, information and data that are important to the Board's understanding of the Company's business and to all matters expected to be considered and acted upon by the Board be distributed in writing to the Board sufficiently in advance of each Board meeting and each action to be taken by written consent to provide the Directors a reasonable time to review and evaluate such information and data. Presentations on specific subjects should also be sent to the Board in advance so that time may be conserved and discussion time is focused on the Board's questions. Management will make every attempt to see that this material is as concise as



feasible, while still providing sufficient information to permit the Board to be appropriately informed of material matters to be considered at each Board meeting or other Board action.

It is recognized that circumstances will arise when it is not feasible to provide information relating to certain agenda items in advance of a Board meeting or an action to be taken by written consent. In such event, reasonable steps will be taken (which may include extending the length of the Board meeting to allow more discussion, adjourning the meeting for a brief period to allow Directors time to review such information, deferring a vote until a follow-up telephonic meeting, or other measures as appropriate) to permit the Directors to become reasonably informed as to the matter before voting on it.

3. Executive Sessions of Non-Management Directors

The Non-Management Directors will meet separately in regularly scheduled executive sessions (at least twice a year), without the presence of management or management Directors (except to the extent the Non-Management Directors request the attendance of any Executive Officers or other management personnel). If the Non-Management Directors include Directors who are not Independent, the Independent Directors will meet separately in scheduled executive sessions. Such regularly scheduled separate meetings will be held at such times as may be determined by the Chairman of the Board (if he or she is an Independent Director) or by the Lead Director.

I. Committee Matters

1. Number, Structure and Independence of Committees

The Board will have an Audit Committee, a Compensation Committee, a Nominating/Governance Committee and an Executive Committee, which will have the responsibilities described in their respective Charters adopted by the Board and incorporated herein by reference and Company by-laws. All standing Committees of the Board, with the exception of the Executive Committee, will consist solely of Independent Directors. In addition, the Board may, from time to time appoint one or more additional committees having such purposes and composition as the Board may determine is appropriate.

The Nominating/Governance Committee will review the Charter of each Committee on an annual basis and recommend any changes deemed necessary (including those proposed to the Nominating/Governance Committee by the respective Committees following their review of their own Charters) to the Board for approval.



2. Assignment and Rotation of Committee Members

A Board member may serve on more than one Committee. The Nominating/Governance Committee is responsible, after consultation with the Chairman of the Board and with consideration of the desires of individual Board members, for the assignment of Board members to various Committees.

The Nominating/Governance Committee will review Committee membership and chairmanship of each standing Committee on an annual basis and will make recommendations regarding any changes to the Board, as appropriate.

There is no mandatory rotation of Directors among Committees.

3. Frequency and Length of Committee Meetings

Subject to any requirements in the applicable Committee Charter regarding the frequency of Committee meetings, each Committee chairperson, in consultation with Committee members and the Chairman of the Board, will determine the frequency and length of the meetings of the Committee.

4. Committee Agenda, Background Materials and Reports

The chairperson of each Committee, in consultation with the appropriate members of Company management, will develop the Committee's agenda. Committee members may suggest the inclusion of items on the agenda. Management will be responsible for assuring that, as a general rule, information and data that are important to the Committee's understanding of all matters within the Committee's authority and all matters to be considered and acted upon by a Committee are distributed to each member of such Committee sufficiently in advance of each such meeting or action taken by written consent to provide a reasonable time for review and evaluation of such information and data. The other provisions applicable under Section H.2 of this Policy regarding distribution of Board materials in advance will apply equally to distribution of Committee materials in advance. The agenda for each Committee meeting will be distributed to other members of the Board at the same time (or as soon thereafter as reasonably practical) that it is distributed to Committee members or reported on at the next Board meeting by the Committee Chairperson.

At each Board meeting, the chairperson of each Committee or his or her delegate will report the matters considered and acted upon by such Committee at each meeting or by written consent since the preceding Board meeting, except to the extent covered in a previous written report to the full Board, and will be available to answer any questions the other Directors may have regarding the matters considered and actions taken by such Committee.



J. Miscellaneous

1. Resources

The Board (and Board Committees to the extent so provided in the applicable Committee Charters or otherwise authorized by the Board) may use reasonable amounts of time of the Company's internal and independent accountants, internal and outside lawyers and other internal staff and also will have the authority to hire independent accounting experts, counsel and other consultants to assist and advise the Board (and any of its Committees that are authorized to seek such advice and assistance) in connection with its responsibilities. The cost of such outside experts, counsel and consultants will be paid by the Company.

The Chairman of the Board shall advise the Board, the Chief Executive Officer and the Chief Financial Officer at the beginning of each fiscal year as to the general range of anticipated annual expenses for outside experts, counsel and consultants to be hired by the Board during such fiscal year.

2. Reliance

To the extent not inconsistent with the New York Business Corporation Law, including but not limited to Sections 712 and 717 thereof, each Director is entitled to rely in good faith on (a) corporate records, corporate officers, corporate employees or board committees; and (b) any other person selected with reasonable care as to matters reasonably believed to be within the person's professional or expert competence.

3. Director Orientation and Continuing Education

Each new Director will be given an orientation with respect to his or her duties as a Director, including: (a) copies of this Policy; (b) meetings with the Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer, Corporate Secretary and the Chairperson of the Nominating/Governance Committee; and (c) except to the extent unnecessary for any Director who is an Executive Officer, background material with respect to the Company, its business and issues of particular significance to the Company, meetings with the senior management and visits to one or more Company facilities. Each new Director and each new member of any Board Committee also will cooperate in fulfilling any additional orientation guidelines that may be recommended generally or on an ad hoc basis by the Nominating/Governance Committee to help assure that such Director has the necessary skills to perform his or her responsibilities as a Director and/or new member of any Board Committee.



Each Director will also cooperate in fulfilling all applicable continuing education guidelines established and periodically updated by the Nominating/Governance Committee.

4. Code of Ethical Behavior

The Company will maintain, and the Audit Committee will oversee compliance with, a code of ethical behavior for Directors, officers and employees and a financial code of ethics, and promptly disclose any waivers of the code for Directors or Executive Officers.

5. Disclosure of this Policy

This Policy, including the Committee Charters (adopted by the Board and incorporated herein by reference) and codes of business conduct and ethics, and financial code of ethics will be posted on the Company's website and also will be available in print to any shareholder requesting it. Such availability on the Company's website and in print will be disclosed as required by applicable law and listing standards.



Annex A to Corporate Governance Policy

Nomination Process

The Nominating/Governance Committee will consider shareholder recommendations for Director nominees. A shareholder desiring the Committee to consider any person for nomination for election to the Board of Directors must deliver a written submission to the Nominating/Governance Committee in care of the corporate secretary at the Company's headquarters, at Pall Corporation, 25 Harbor Park Drive, Port Washington, New York 11050. Such submission must include (1) the name and address of such person, (2) such person's written consent to be named in the proxy statement and to serve if elected, (3) documentation demonstrating that the shareholder is a shareholder of the Company, (4) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and other material relationships or interests, between or among such shareholder (and/or any beneficial owner on whose behalf the recommendation is made) and its affiliates and associates, or others (including the names of such person(s)) acting in concert therewith, on the one hand, and such person and his or her respective affiliates and associates, or others (including the names of such person(s)) acting in concert therewith, including any swap or other derivative or short positions, profits interests, options, hedging transactions or borrowed or loaned shares, (5) any information relating to such person and his or her affiliates or associates that would be required to be disclosed in a proxy solicitation for the election of Directors of the Company pursuant to Regulation 14A under the Securities and Exchange Act of 1934, as amended, (6) a description of the qualifications of such person that, in the view of such person or the shareholder (or any such beneficial owner), would make such person a suitable Director, and (7) a description of such person's reasons for seeking election as a Director, which description must include any plans or proposals that such person or the shareholder (or any such beneficial owner) may have which relate to or would result in any of the actions described in Item 4 of Schedule 13D under the Securities and Exchange Act of 1934, as amended. Such submission should include a statement indicating whether such person, upon election or reelection to the Board, will submit an irrevocable resignation to become effective upon (i) the failure of such person to receive the required number of votes cast at the next meeting at which such person is nominated for reelection, and (ii) the board's acceptance of such resignation. Such submission should also include an undertaking to submit to the corporate secretary of the Company a statement amending any of the foregoing information promptly after any material change occurs in such information as previously submitted. The committee may require additional information from the nominee to perform its evaluation of the eligibility of the nominee to serve as an Independent Director of the corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such nominee.



Any nomination by a shareholder of any person for election to the Board of Directors of the Company must comply with the foregoing and the notice and other requirements of the by-laws. In addition, any such nomination must also include a representation (x) that the shareholder intends to appear in person or by proxy at the meeting to propose such business or nomination; and (y) whether the shareholder or the beneficial owner intends or is part of a group that intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding common stock required to approve or adopt the proposal or elect the nominee or otherwise to solicit proxies from shareholders.

Recommendations for nomination and nominations that are made by shareholders in accordance with these procedures and, if applicable, the by-laws will receive the same consideration as recommendations or nominations initiated by the Nominating/Governance Committee.

In its assessment of each person considered for nomination, the Nominating/Governance Committee will review (1) such person's judgment, experience, independence and understanding of the Company's business, (2) the range of talent and experience already represented on the Board of Directors and (3) such other factors that the Nominating/Governance Committee determines are pertinent in light of the current needs of the Company. Diversity of race, ethnicity, gender, professional experience, education and skill among the Directors is a factor in identifying and evaluating nominees for board membership. The Nominating/Governance Committee will also take into account the ability of such person to devote the time and effort necessary to fulfill his or her responsibility as a Director.



Annex B to Corporate Governance Policy

General and Specific Criteria for Director Selection

GENERAL CRITERIA

1. Non-employee Directors must be Independent Directors (as defined in and determined pursuant to Section B.4 of the Company's Corporate Governance Policy).
2. Independent Directors should have appropriate skills, experiences and other characteristics to provide qualified persons to fill all Board committee positions required to be filled by Independent Directors.
3. Subject to the right of the Board to decide otherwise when deemed appropriate, the Chief Executive Officer of the Company generally should be a Director and, depending on the circumstances, certain other members of management, as well as certain individuals having relationships with the Company that prevent them from being Independent Directors, may be appropriate members of the Board.
4. Each Director should:
 - (a) Be an individual of the highest character and integrity and have an inquiring mind, vision, a willingness to ask hard questions and the ability to work well with others;
 - (b) Be free of any conflict of interest that would violate any applicable law or regulation or interfere with the proper performance of the responsibilities of a Director;
 - (c) Be willing and able to devote sufficient time to the affairs of the Company and be diligent in fulfilling the responsibilities of a Director and Board committee member (including developing and maintaining sufficient knowledge of the Company and its industry; reviewing and analyzing reports and other information important to Board and committee responsibilities; preparing for, attending and participating in Board and committee meetings and satisfying appropriate orientation and continuing education guidelines); and
 - (d) Have the capacity and desire to represent the balanced, best interests of the Company shareholders as a whole and not primarily a special interest group or constituency.



SPECIFIC CRITERIA

In addition to the foregoing general criteria, the Nominating/Governance Committee shall develop, reevaluate annually and modify as appropriate a set of specific criteria outlining the skills, experiences (whether in business or in other areas such as public service, academia or medical and scientific communities), particular areas of expertise, specific backgrounds and other characteristics that should be represented on the Board to enhance the effectiveness of the Board and Board committees.

These specific criteria should take into account any particular needs of the Company based on its business, size, ownership, growth objectives, community, customers and other characteristics and will need to be adjusted and refocused as these Company characteristics change and evolve.

These specific criteria also should reflect the Company's belief that gender and ethnic diversity provide additional perspectives that are helpful.

The Nominating/Governance Committee should prepare periodically a list of any specific criteria so identified that are not adequately represented on the Board. When practical, the Committee should indicate the most significant deficiencies that should be given the highest priority in recruiting new Director candidates possessing the missing criteria.



Annex C to Corporate Governance Policy

Director Independence Standards

In order to be considered independent under the rules of the New York Stock Exchange, the Board must determine that a Director does not have any direct or indirect material relationship with Pall Corporation (including its consolidated subsidiaries, “**Pall**”). The Board has established the following guidelines to assist it in determining Director independence under the New York Stock Exchange rules.

1. The Director is not, and has not been within the preceding three years, and his Immediate Family Members are not, and have not been within the preceding three years, employed by Pall (in the case of Immediate Family Member as Executive Officers);
2. The Director is not, and has not been within the preceding three years, and no Immediate Family Member of the Director is or was, within the preceding three years, affiliated with or employed in a professional capacity by a present or former internal or external auditor, provided that in the case of an Immediate Family Member only “employed in a professional capacity” shall mean either (a) employed as a partner of such a firm (currently or within the preceding three years) or (b) personally working on the Company’s audit (currently or within the preceding three years);
3. The Director is not, and has not been within the preceding three years, and his Immediate Family Members are not, and have not been within the preceding three years, employed as an officer by any company for which any Executive Officer served as a member of such company’s compensation committee within the preceding three years;
4. Neither the Director, nor any of the Director’s Immediate Family Members received during any twelve month period within the last three fiscal years of Pall, direct compensation in excess of \$120,000 from Pall other than regular Director and Committee fees and pension or other deferred compensation for prior services (provided such compensation is not contingent in any way on continued service to Pall);
5. If the Director is an executive officer or an employee of, or if any Immediate Family Member is an executive officer of, a company that makes payments to, or receives payments from, Pall for property or services in an amount which, in any single fiscal year, exceeds the greater of \$1 million, or 2% of such other company’s consolidated gross revenues, the Director is not “independent” until three years after falling below such threshold;



6. The Director is a partner, principal or counsel in a law firm that provides professional services to Pall where the amount of payments for such services is less than \$250,000 within the preceding three years; and
7. The Director or any Immediate Family Member serves as an officer, director or trustee of a charitable organization to which Pall makes contributions and Pall's discretionary contributions to such organization are less than the greater of 1% of such organization's total annual charitable receipts or \$250,000, for each of the preceding three years.



Annex D to Corporate Governance Policy Definitions

1. **"Affiliate"** of or a person "affiliated" with, a specified person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. A person will not be deemed in control if the person is not (a) the beneficial owner, directly or indirectly, of more than 10% of any class of equity securities of the person specified or (b) an executive officer of the person specified.
2. **"Board"** has the meaning given it in the Preamble.
3. **"Company"** has the meaning given it in the Preamble.
4. **"Criteria"** has the meaning given it in Section B.3 of this Policy.
5. **"Disclosure Controls and Procedures"** has the meaning given it in Section F.1 of this Policy.
6. **"Elected Officers"** has the meaning given it in the Company's by-laws.
7. **"Executive Officer"** means such employees of the Company as shall be determined by the Board to be officers under Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended and in effect from time to time (and as such is subject to Section 16 of such Act).
8. **"Immediate Family Members"** include a person's spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, stepchildren and stepparents and anyone (other than a tenant or domestic employee) who shares such person's home and anyone who had any such relationship with such person at any time during the past fiscal year.
9. **"Independent Director"** shall have the meaning given it in Section B.4 of this Policy.
10. **"Non-Management Directors"** means all Independent Directors and any other Directors who are not officers of the Company but who may have another relationship to the Company or its management that prevents them from being Independent Directors.
11. **"Policy"** has the meaning given it in the Preamble.