



**PALL CORPORATION**  
**CHARTER OF THE COMPENSATION COMMITTEE**  
**OF THE BOARD OF DIRECTORS**  
(AS AMENDED AND RESTATED BY THE BOARD OF DIRECTORS ON APRIL 19, 2012)

**I. ORGANIZATION, MEMBERSHIP AND QUALIFICATION**

(a) **Organization**

The compensation committee ("**Committee**") of the board of directors ("**Board**") of Pall Corporation ("**Company**") shall consist of a minimum of three Directors.

(b) **Membership**

Members of the Committee, including the Chairperson, shall be appointed by the Board upon the recommendation of the Nominating/Governance Committee.

Members of the Committee may be removed by the Board, upon recommendation of the Nominating/Governance Committee, at any time.

The Committee may delegate its responsibilities to a subcommittee comprised of one or more members of the Committee, as it deems appropriate.

(c) **Qualifications**

Each member of the Committee shall:

- (i) be "independent" as that term is defined in and determined pursuant to Section B.4 of the Company's Corporate Governance Policy; and
- (ii) satisfy all applicable requirements for a "non-employee director" under Section 16 of the Securities Exchange Act of 1934 and an "outside director" under Section 162(m) of the Internal Revenue Code and related regulations, all as amended from time to time, including the prohibition against receiving any remuneration from the Company (directly or indirectly) in any capacity other than as a Director or Committee member.

**II. PURPOSE**

The purpose of the Committee shall be to (a) carry out the Board's duties and responsibilities relating to the compensation of the Company's executive officers (as defined below); (b) review and make recommendations to the Board regarding Director compensation; (c) oversee the administration of the Company's (and, to the extent appropriate, significant subsidiaries of the Company) compensation and benefit

plans; and (d) produce an annual report on executive compensation required by the rules and regulations of the Securities Exchange Commission (“**SEC**”) for inclusion in the Company’s annual filings with the SEC. For purposes of this Charter, “**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 subject to Section 16 of such Act).

### **III. DUTIES AND RESPONSIBILITIES**

The Committee’s duties and responsibilities shall be to:

- (a) Establish, in consultation with management, the Company’s general compensation philosophy and oversee the development and implementation of executive compensation programs;
- (b) Annually review and approve corporate goals and objectives relevant to the compensation of the chief executive officer of the Company (the “**CEO**”), evaluate the CEO’s performance in light of those goals and objectives, and either as a committee or together with the other Independent Directors (as defined in the Company’s Corporate Governance Policy and as directed by the Board) determine and approve the CEO’s compensation based on this evaluation, including base salary, perquisites, incentive compensation and equity-based awards. In determining the long-term incentive component of CEO compensation, the Committee should consider the Company’s performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies, and the awards given to the CEO in past years;
- (c) Annually review and approve (in conjunction with the CEO) the corporate goals and objectives relevant to the compensation of the executive officers of the Company, other than the CEO, evaluate such executive officers’ performance in light of those goals and objectives and approve such executive officers’ compensation based on this evaluation, including base salary, perquisites, incentive compensation and equity-based awards;
- (d) Authorize and approve employment, consulting and severance contracts between the Company and its executive officers;
- (e) Review the competitive position of, approve changes to or make recommendations to the Board with respect to the Company’s (and to the extent appropriate, the significant subsidiaries of the Company) incentive compensation plans, equity-based plans and deferred compensation plans. The Committee shall also oversee the implementation and administration of such plans, including approving any incentive or equity-based awards to be granted thereunder (other than to non-management Directors of the Company)

and approving or disapproving participation of individual employees in any such plan;

- (f) Oversee the Company's (and to the extent appropriate, the significant subsidiaries of the Company) welfare benefit plans;
- (g) Appoint and oversee plan fiduciaries of the Company's principal retirement and savings plans;
- (h) Oversee the Company's risk assessment and risk management relative to the Company's compensation structure and benefits plans administration;
- (i) Review periodically policies with respect to any severance, termination or other post-service arrangements;
- (j) Review and discuss with management the Compensation Discussion and Analysis section proposed by management for inclusion in the Company's Annual Report on Form 10-K and annual proxy statement ("**annual filings**") for purposes of recommending to the Board whether such section should be so included and produce an annual report of the Committee for inclusion in the Company's annual filings;
- (k) Bi-annually review and make recommendations to the Board with respect to the compensation of the non-employee members of the Board and its committees including fees, perquisites, and equity-based awards;
- (l) Report regularly to the Board on its activities, generally following meetings of the Committee;
- (m) Perform an annual self-evaluation of the Committee's performance;
- (n) Annually reassess the adequacy of and, if appropriate, propose to the Nominating/Governance Committee any desired changes in the Charter of the Committee, all to supplement the oversight authority of the Nominating/Governance Committee with respect to such matters; and
- (o) Perform any other activities consistent with this Charter, the Company's Corporate Governance Policy, the Company's by-laws and governing law as the committee or the Board deems appropriate.

#### **IV. MEETINGS**

The Committee will meet in person or telephonically as, in the judgment of the Chairperson of the Committee or the Chairman of the Board, may be necessary or appropriate. Any action required or permitted to be taken by the Committee may be taken by a unanimous consent in writing.

All meetings and any other actions of the Committee shall be held and taken pursuant to the by-laws of the Company, including by-law provisions governing notice of

meetings and waiver thereof and the number of Committee members required to take actions at meetings and by written consent.

The Committee Chairperson will establish the agenda for each Committee meeting and will include in each such agenda any item required by this Charter or submitted by any Committee member. The agenda, together with materials relating to the subject matter of each meeting (or relating to the subject matter of any written consent), shall be sent to members of the Committee sufficiently in advance of each meeting so that time may be conserved and discussion time is focused on the Committee'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 Committee to be appropriately informed of material matters to be considered at each Committee meeting or other Committee action.

The Committee may request that any Directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee may exclude from its meetings any persons it deems appropriate in order for it to fulfill its responsibilities.

## **V. RESOURCES**

The Committee shall have sole authority to retain and terminate any compensation consultants to advise the Committee on the evaluation and compensation of the CEO, executive officers or non-management Directors, including sole authority to approve the fees and other terms of their engagements.

The Committee shall also have the right to use reasonable amounts of time of the Company's internal staff and also to hire, terminate and approve the fees and other retention terms for other independent consultants, outside counsel and other advisors to assist and advise the Committee in connection with its responsibilities.

The cost of all such outside consultants, counsel and other advisors shall be paid by the Company.

The Committee shall advise the Board and the Company's 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 such Committee during such fiscal year.

## **VI. DISCLOSURE OF CHARTER**

This Charter will be posted on the Company's website and also will be made 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.