

GARDNER DENVER, INC.
AUDIT AND FINANCE COMMITTEE CHARTER

Pursuant to Section 4.1 of the Bylaws of Gardner Denver, Inc. (the “Company”), the Board of Directors (the “Board”) is required to designate an Audit and Finance Committee (the “Committee”) and to adopt a charter, which may be amended from time to time, setting forth the powers and duties of the Committee. The Board and the Committee have approved and adopted this Charter.

PURPOSE OF THE COMMITTEE

The purpose of the Committee shall be to assist the Board in fulfilling its oversight responsibilities with respect to:

1. The integrity of the Company’s financial statements and financial information provided to shareholders and others;
2. The adequacy and effectiveness of the Company’s disclosure controls and procedures and its internal control over financial reporting;
3. The adequacy and effectiveness of the Company’s financial reporting principles and policies;
4. The adequacy and effectiveness of the Company’s internal and external audit processes;
5. The adherence to the Company’s regulatory compliance policies and procedures;
6. The Company’s compliance with legal and regulatory requirements; and
7. The Company’s independent auditor’s qualifications and independence.

COMPOSITION OF THE COMMITTEE

The following requirements shall govern the composition of the Committee.

1. *Number.* The Committee shall consist of not less than three (3) independent directors appointed to serve at the pleasure of the Board.
2. *Independence.* Each member of the Committee shall meet the independence requirements of the New York Stock Exchange (the “NYSE”) and the Securities and Exchange Commission (the “SEC”), including, without limitation, that: (a) the member has no material relationship with the Company; (b) the member’s sole remuneration from the Company, whether direct or indirect, is his or her compensation as a director; and (c) the member not be an affiliated person of the Company or any subsidiary, as defined by Rule 10A-3 of the Securities Exchange Act of 1934 (the “Exchange Act”).
3. *Financial Literacy.* Each member shall be financially literate or must become financially literate within a reasonable period of time after his/her appointment to the Committee. The “financially literate” qualification shall be interpreted by the Board in its business judgment. In exercising its business judgment, the Board shall consider

determinations or definitions of such qualification by the NYSE and/or the SEC, if available.

4. Accounting or Financial Expertise. At least one member of the Committee, including the Chairman of the Committee, must have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment. In exercising its business judgment, the Board shall consider determinations or definitions of such qualification by the SEC, including Item 401(h) of Regulation S-K.

POWERS AND DUTIES

The powers and duties of the Committee shall be as follows.

1. To have sole authority with respect to the following matters relating to the Company's independent public accounting firm (the "Accounting Firm")--appointment, retention, discharge, oversight, compensation, approval of non-audit services and determination of independence, including resolution of any disagreements between management and the Accounting Firm regarding financial reporting;
2. To review with the Accounting Firm and management the planned scope of the annual audit of the Company's consolidated financial statements and the results thereof;
3. To review with management and the internal auditor the planned scope of the Company's annual internal audit plan and the findings and conclusions of such internal audit;
4. To approve in advance all audit and non-audit services (and estimated fees) to be provided by the Accounting Firm in accordance with a pre-approval policy to be adopted by the Committee;
5. To receive and review reports at least annually, within the legally required timeframe, prior to the filing of audited financial statements with the SEC, from the Accounting Firm with respect to the following matters:
 - a. all critical accounting policies and practices used by the Company in the preparation of its financial statements;
 - b. all alternative treatments of financial information within GAAP for policies and practices related to material items that have been discussed with management, including the ramifications of the use of any alternative disclosures and treatments and the treatment preferred by the Accounting Firm; and
 - c. any other material, written communications between the Accounting Firm and management, including management representation letters, reports or observations and recommendations on internal controls, schedules of unadjusted differences and a listing of adjustments and reclassifications not recorded, if any, the engagement letter and the independence letter.

6. To review with the Accounting Firm any problems or difficulties with the audit, including any restrictions on the scope of the Accounting Firm's activities or on access to requested information, significant disagreements with management, any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise), any communications between the audit team and the Accounting Firm's national office respecting auditing or accounting issues presented by the engagement, any "management" or "internal control" letter issued, or proposed to be issued, by the Accounting Firm to the Company, responsibilities, budget and staff issues and management's response.

7. At least annually, to obtain and review a report by the Accounting Firm describing the Accounting Firm's independence and internal quality control procedures, including material issues raised by the most recent internal quality-control review, or peer review, of the Accounting Firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years respecting one or more independent audits carried out by the Accounting Firm and any steps taken to address such issues;

8. To receive and review the annual report from the Accounting Firm regarding the Company's internal control over financial reporting required pursuant to Section 404 of the Sarbanes Oxley Act of 2003 and to review such report with management;

9. To review and discuss with the CEO, CFO and representatives of the management disclosure committee, the internal audit department and the Accounting Firm the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations;" major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; analyses prepared by management and/or the Accounting Firm setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements; and the effect of regulatory and accounting initiatives on the financial statements of the Company;

10. To receive on at least an annual basis from the CEO, CFO, Controller and such other financial executives of the Company as the Committee shall determine, the Code of Ethics Certification attached as Exhibit 1;

11. To hold such other conferences and conduct such other reviews with the Accounting Firm or with management as deemed necessary or appropriate;

12. To establish procedures for the receipt, retention, treatment and handling of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of concerns and complaints regarding questionable accounting or auditing matters;

13. To address any attempt by an officer, employee or other person acting under the direction of management to fraudulently influence, coerce, manipulate or mislead the Accounting Firm for the purpose of creating materially misleading financial statements;

14. To oversee Company management (the benefits committee), in its establishment of investment objectives, policies and performance criteria for the management of the Company's retirement and benefit plan assets;

15. To review the performance of the Committee on an annual basis;

16. To review and reassess the adequacy of the Committee's charter on an annual basis and to report such results to the Board;

17. To monitor compliance with the Company's Code of Ethics and Business Conduct and other policies and procedures, and related information, concerning environmental, legal and other matters which may represent material financial exposure or risk to the Company;

18. To meet at least four (4) times per year on a quarterly basis;

19. To set clear hiring policies for employees or former employees of the Accounting Firm.

20. To adopt rules and make provisions as deemed appropriate for the conduct of such meetings, acting upon and recording matters within its authority and for making such reports to the Board as it may deem appropriate;

21. To report regularly to the Board and review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Accounting Firm, or the performance of the internal audit function;

22. To furnish the report required by the SEC in the Company's annual proxy statement;

23. To retain outside financial and legal advisors to assist it in meeting any of the above obligations, as necessary or appropriate; and

24. To ensure that the Company provides for appropriate funding for payment of compensation to the Accounting Firm and any other outside advisors retained by the Committee and administrative expenses of the Committee as necessary or appropriate.

PRINCIPLES AND REQUIREMENTS

In meeting its duties and exercising its powers, the Committee shall be guided by the following principles and requirements.

1. Management Responsibility. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the Accounting Firm. It is also not the duty of the Committee to ensure compliance with laws and regulations or the Company's policies and procedures, including the Conflicts of Interest and Ethical Conduct Policy.

2. Oversight Role. Effective audit committees should:

- a. understand the Company's risk profile and oversee risk assessment and management practices, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;
- b. approach their responsibilities with a degree of constructive skepticism, especially in reviewing the Company's financial reporting and financial controls with management and the internal and external auditors;
- c. focus on the important responsibility of overseeing the company's financial integrity, including reviewing and assessing the quality of senior management;
- d. confirm the quality of systems involved in the financial management of the Company;
- e. encourage and provide open lines of communication between the committee and both internal and external auditors as well as management;
- f. periodically meet in executive sessions separately with the Accounting Firm and internal auditor to review and assess financial reporting and financial controls and quality of financial reports;
- g. review the qualifications, quality, independence and reputation of the Accounting Firm, management, and lead partner on an annual basis and present the Committee's conclusions to the Board;
- h. require rotation of the lead, review and concurring partners of the audit engagement team at least every five (5) years and of all other partners at least every seven (7) years; and
- i. review and discuss with management and the Accounting Firm the Company's critical accounting policies and the application and disclosure of these policies, prior to finalizing and filing annual reports.

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EXHIBIT 1

Audit and Finance Committee of the
Board of Directors
Gardner Denver, Inc.
1800 Gardner Expressway
Quincy, IL 62301

Gentlemen:

In my role as _____ of Gardner Denver, Inc. (the "Company"), I certify to you that I adhere to and advocate the following principles and responsibilities governing my professional and ethical conduct.

To the best of my knowledge and ability:

1. I act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
2. I provide constituents with information that is accurate, complete, objective, relevant, timely and understandable. I also take all necessary and reasonable steps to ensure that the Company provides full, fair, accurate, timely and understandable disclosure in reports and documents filed with, or submitted to, the Securities and Exchange Commission and in other public communications made by the Company.
3. I comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies. I share knowledge and maintain skills important and relevant to my constituents' needs.
4. I act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing my independent judgment to be subordinated.
5. I respect the confidentiality of information acquired in the course of my work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of my work is not used for personal advantage.
6. I proactively promote ethical behavior as a responsible partner among peers in my work environment. I comply in all material respects with the Company's code of conduct, conflicts of interest and ethical conduct policies, and I promptly report any violations of such policies to the appropriate person(s) identified in such policies. I also take all necessary and reasonable steps to ensure that (a) no Company employee uses his or her authority or influence for the purpose of interfering with, or retaliating against, another employee in connection with the disclosure of improper conduct, or the authorized implementation of related corrective action and (b) any employee found to have engaged in such interference or retaliation is subject to disciplinary measures, up to and including termination.
7. I achieve responsible use of and control over all assets and resources employed or entrusted to me.

Signature