

**PALL CORPORATION**  
**CHARTER OF THE COMPENSATION COMMITTEE**  
**OF THE BOARD OF DIRECTORS**  
**(ADOPTED BY THE BOARD OF DIRECTORS EFFECTIVE JANUARY 22, 2004)**

**MEMBERSHIP AND ORGANIZATION**

- The compensation committee (“Committee”) of the board of directors of Pall Corporation (“Board”) shall consist of a minimum of three directors.
- Members of the Committee, including the chairperson, shall be appointed by the Board upon the recommendation of the planning and governance committee.
- Members of the Committee may be removed by the Board, upon recommendation of the planning and governance committee, at any time.
- All members of the Committee shall be “independent” as that term is defined in and determined pursuant to Section A.3 of the Company’s Corporate Governance Policy.
- In addition to satisfying the requirements necessary to be Independent Directors, each member of the Committee also shall satisfy all applicable requirements of Section 16 of the Securities Exchange Act of 1934 and Section 162(m) of the Internal Revenue Code and related regulations, all as amended from time to time.

**PURPOSE, DUTIES AND RESPONSIBILITIES**

- The purpose of the Committee shall be to carry out the Board’s responsibilities relating to compensation for the Company’s elected executives.
- The Committee’s duties and responsibilities shall be to:
  1. Produce an annual report on executive compensation for inclusion in the Company’s annual proxy statement or annual report on Form 10-K filed with the SEC;
  2. Annually review and approve corporate goals and objectives relevant to CEO compensation, 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 directed by the board) determine and approve the CEO’s compensation level based on this evaluation. 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 CEO’s at comparable companies, and the awards given to the Company’s CEO in past years;

3. Annually evaluate (in conjunction with the Chief Executive Officer) the compensation (and performance relative to compensation) of the elected officers (other than the Chief Executive Officer), including base salary, bonuses, awards of stock options and other incentives;
4. Authorize and approve employment contracts between the Company and its elected executives;
5. Review the competitive position of, and approve changes to, the plans, systems and practices of the Company relating to compensation and benefits;
6. Make recommendations to the Board with respect to management incentive compensation plans and equity-based plans;
7. Administer the Company's stock option plans, and Management Stock Purchase Plan with authority to grant, or to approve or disapprove participation of individual employees in those plans;
8. Make such changes to the Company's executive incentive plans as they deem appropriate subject to shareholder approval if required by law, the terms of the Plan or the rules of the New York Stock Exchange;
9. Bi-annually review and make recommendations to the Board with respect to the compensation of the Board and its committees including fees and stock options;
10. Make regular reports to the Board, generally following meetings of the Committee, on its activities;
11. Review and evaluate annually the performance of the Committee;
12. Review annually the adequacy of this Charter and recommend to the Planning and Governance Committee any changes; and
13. Perform any other activities consistent with this Charter, the Company's by-laws and governing law as the Committee or the Board deems appropriate.

#### **MEETINGS**

- The Committee shall meet as often as may be deemed necessary or appropriate, in the judgment of the chairperson, either in person or telephonically, and at such times and places as the Committee may determine. Any action required or permitted to be taken by the Committee may be taken by a unanimous consent in writing.
- All meetings or any other actions by the Committee shall be held and taken pursuant to the by-laws of the Company.

#### **RESOURCES**

- The Committee shall have sole authority to retain and terminate executive compensation consultants, including the fees and other terms of their

engagements, to advise on the evaluation and compensation of the chief executive officer (“CEO”).

- The Committee shall have the right to use reasonable amounts of time of the Company’s internal staff and also to hire independent consultants and advisors to assist and advise the Committee in connection with its responsibilities.
- The Committee shall keep the Company’s Chief Financial Officer advised as to the general range of anticipated expenses and shall obtain the concurrence of the full Board for expenditures exceeding \$100,000 in any fiscal year.

**DISCLOSURE OF CHARTER**

- This Charter will be made available on the Company’s website.