



Flow International Corporation

FLOW NASDAQ

Industrial Machinery / Equipment

Market Capitalization USD:

\$105.46 mm

CONCERN LEVEL: LOW

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Charles M. Brown

Age: 53

CEO Since: 2007

| | 2009 | 2010 | 2011 |
|--|--------------------|--------------------|--------------------|
| Base Salary | \$497,126 | \$426,930 | \$500,000 |
| Discretionary Bonus | \$0 | \$0 | \$0 |
| Annual Cash Incentive | \$0 | \$0 | \$0 |
| Benefits and Perquisites | \$218,721 | \$19,700 | \$14,492 |
| TOTAL ANNUAL COMPENSATION | \$715,847 | \$446,630 | \$514,492 |
| Increase in Post-Retirement Benefits | \$0 | \$0 | \$0 |
| Stock Option Awards | \$1,550,802 | \$0 | \$0 |
| Stock Awards | \$938,506 | \$898,785 | \$1,119,736 |
| TOTAL COMPENSATION | \$1,520,475 | \$1,345,415 | \$1,634,228 |
| Median of Other Named Executive Officers Total Compensation | \$576,114 | \$383,788 | \$359,008 |
| Value Realized on Exercise of Stock Option | \$0 | \$0 | \$0 |
| Value Realized on Vesting of Stock | \$0 | \$49,711 | \$741,698 |
| TOTAL REALIZED EQUITY COMPENSATION | \$0 | \$49,711 | \$741,698 |

Proxy Date: 9 Aug 2012

Annual Meeting Date: 13 Sep 2012

Equity Reserves: 2.51%

Stock Option Run Rate: 0.00%

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Performance Comparison

■ S&P500 ■ Industry ■ FLOW



Peer Comparisons (TRBC) = Industrial Machinery / Equipment

Total Summary CEO Compensation

| Ticker | Company Name | 2009 | 2010 | 2011 | Market Cap |
|-------------|---------------------------------------|--------------------|--------------------|--------------------|----------------------|
| FLOW | Flow International Corporation | \$1,520,475 | \$1,345,415 | \$1,634,228 | \$105,461,367 |
| AIMC | Altra Holdings, Inc. | \$1,202,860 | \$2,460,075 | \$1,780,833 | \$310,614,340 |
| TWIN | Twin Disc, Incorporated | \$2,101,698 | \$912,735 | | \$304,563,425 |
| PLOW | Douglas Dynamics, Inc. | | \$2,770,162 | \$1,588,589 | \$281,209,995 |
| DXPE | DXP Enterprises, Inc. | \$1,210,368 | \$1,455,761 | \$1,897,942 | \$265,898,542 |
| KAI | Kadant Inc. | \$1,298,338 | \$2,284,335 | \$2,915,617 | \$219,288,420 |
| ERII | Energy Recovery, Inc. | \$2,093,200 | \$287,317 | \$1,921,267 | \$157,910,141 |

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Alamo Group, Inc. (ALG); Ampco-Pittsburgh Corp. (AP); Badger Meter, Inc. (BMI); CECO Environmental Corp. (CECE); Flanders Corp. (FLDR); Hardinge, Inc. (HDNG); Hurco Companies, Inc. (HURC); Kadant, Inc. (KAI); L.B. Foster Co. (FSTR); Lindsay Corp. (LNN); Material Sciences Corp. (MSC); MFRI, Inc. (MFRI); NN, Inc. (NNBR), Presstek, Inc. (PRST), RBC Bearings, Inc. (ROLL); Rofin-Sinar (RSTI); Sun Hydraulics Corp. (SNHY); Synalloy Corp. (SYNL), The Gorman-Rupp Co. (GRC); and Thermadyne Holdings Corp. (THMD).

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

| Director | Membership | Age | Gender | Tenure | Independence |
|---------------------|------------|-----|--------|--------|-----------------|
| Patrick J. Byrne | Chairman | 52 | Male | 2 | Outside |
| Jerrv L. Calhoun | Member | 69 | Male | 5 | Outside |
| Larrv A. Krina | Member | 71 | Male | 4 | Outside |
| Lorenzo C. Lamadrid | Member | 61 | Male | 6 | Outside |
| Richard P. Fox | Member | 64 | Male | 10 | Outside Related |