



Pall Corporation

Code of Ethical Behavior

The Americas



Dear Fellow Employee:

We are all guardians of Pall’s hard-earned reputation. How we conduct business and how we treat others – our fellow employees, customers, suppliers, and communities – determines how the world views us. Whether working as individuals within the Company, or as a Company within the global community, we must constantly be guided by principles of ethical behavior. Pall’s Compliance and Ethics Program is based on the following “core” values:

Honesty and integrity in all of our dealings

Responsibility and accountability for our actions

Respect and tolerance sufficient to see another’s point of view

Treating others as we wish to be treated

Concern for the welfare of our employees, customers, suppliers, stockholders and our community.

This *Code of Ethical Behavior* is not an exhaustive list of rights and wrongs. Rather, it is a guide for expected behavior. In combination with Pall’s *Employee Agreement*, Pall’s *Employee Handbook* and other company policies and procedures, it provides the framework for all business decisions and strategies. Pall has built its business following a simple, yet effective credo, “Always do the right thing.” Compliance with this “Code of Ethical Behavior” is a condition of continued employment.

If, after reading this *Code*, you have any questions please bring them to the attention of your supervisor or your Local Compliance Officer (who may be your Human Resources Manager). If you have knowledge or suspicion of a violation of this policy or any law, or wish to obtain advice or clarification on compliance with this policy, contact Pall’s Compliance and Ethics AlertLine at 1.800.932.5378. You may do this without identifying yourself.

Very truly yours,

PALL CORPORATION

Larry Kingsley
President and Chief Executive Officer

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Why Have a Code of Ethical Behavior?

Pall Corporation's Code of Ethical Behavior applies to all employees, directors, and all others when acting for Pall Corporation, Pall subsidiaries and divisions (individually or collectively hereinafter referred to as "Pall Corporation," "Pall," the "Company" or the "Corporation").

It is important for us to help one another "navigate the rough currents" of business. The purpose of a Code and an effective Compliance and Ethics Program is to assure ethical conduct and to "prevent, detect, and correct" misconduct before it becomes a legal problem.

Our business continues to change, and with change comes greater pressure to meet expected financial results: to do more with less, to provide superior customer satisfaction, and to grow profitability in the face of fierce competition. Pall's outstanding reputation in the marketplace and community flows from our steadfast commitment to follow the law and to "do the right thing." We depend on our employees to follow the law and to make the right decisions. However, we recognize that the Company operates in an increasingly complex and dynamic world, where the "right thing" may not always be obvious. This Code of Ethical Behavior is a resource for you to use in making those decisions.

Asking for Guidance and Voicing Concerns

Ethical principles are often easy to state but sometimes difficult to apply. Doing the right thing at times is more difficult than doing the wrong thing or doing nothing at all. We recognize that no single document, including this Code, can provide you with an answer for every situation or dilemma that you may face in your business dealings. As you will see in the

following pages, we have provided you with questions & answers ("Q&A"), using hypothetical incidents to enhance your understanding of the issues we are describing. We will also, where appropriate, refer you to published policies and procedures that may prove helpful.

If, when faced with an ethical or regulatory compliance decision, you find the Code does not provide you with sufficient information to make an informed decision, consider these resources:

- 1) Pall's Employee Handbook,
- 2) your immediate supervisor or manager,
- 3) your Human Resource Manager (who also serves as your Local Compliance Officer),
- 4) your facility manager,
- 5) the Chief Compliance Officer, or another member of the Corporate Ethics Committee.

As part of the Company's overall compliance efforts, we have established a toll free AlertLine (1.800.932.5378), which is at your disposal 24 hours a day. You may ask questions or report concerns without giving your name if you prefer. If you have any questions or concerns, please be assured they will be taken seriously. Your reported concerns will be assigned a case number that will be used throughout the investigation and corrective action phase of the inquiry. Please be assured you will not be retaliated against for raising a question or concern in good faith. Retaliation or threats of retaliation violate this Code and will not be tolerated.

Q What should I do if my supervisor or someone in management asks me to do something that I think violates the Code or is illegal?

A Don't do it! No matter who asks you, if you have any doubts in your mind whatsoever, you should refuse to comply. First, make sure

there is no misunderstanding as to what is being asked of you, then talk to your supervisor, your supervisor's manager, or your Human Resources Manager, or call the toll free hot line for guidance.

Q What are my options if I am faced with a situation where doing the right thing conflicts with making a profit for the Company?

A We exist to be profitable, but we have a greater obligation to only make profits consistent with the principles established by this Code. Remember our long-term profitability depends on our good reputation, which must never be compromised to meet short-term goals.

Enforcing Pall's Ethics Policy

All Pall employees have not only the right, but the personal responsibility, to question any suspected act of misconduct. Our Compliance and Ethics program is a self-enforcement initiative that we take very seriously. Discipline is an important aspect of any enforcement program. Deliberate violations of this Code will be considered acts of gross misconduct and could lead to termination. You should be familiar with Pall's disciplinary policy, which you will find in your Employee Handbook.

The Company believes in and practices "progressive corrective action" when appropriate. This means that, whenever possible, it is usually in everyone's best interests to deal with problems in a corrective manner. However, the kind of corrective action which can result from a particular act or pattern of behavior will depend upon many factors, including, but not limited to the nature and responsibility of the employee's position, the issue in question, and/or the employee's past work history.

This discipline policy applies to everyone, including those people who are not employees of Pall but who act on the Company's behalf. There are no exceptions, regardless of position or responsibility. We will not tolerate any act that breaks the law or violates Pall's ethics policy. All employees should be aware that if any laws are violated in the course of a business transaction, we will cooperate with the appropriate regulatory authorities in their investigations and assist in the prosecution of the infraction.

During the investigation of a suspected violation, all employees are required to cooperate and answer questions truthfully. The following conduct is prohibited:

- disclosing anything about an investigation to any person who may be under investigation;
- discussing the matter under investigation with anyone other than those conducting the investigation;
- interfering with or obstructing the investigation in any way;
- misrepresenting facts, or failing to disclose facts, during an investigation;
- retaliating, or attempting to punish a fellow employee who has made a good faith report of a suspected or known violation, participated in the investigation, or provided testimony to prosecute a violation; and
- attempting to discover the identity of any person who has requested anonymity.

To reiterate – intentional violations of any Company policy communicated in the *Employee Handbook* or this *Code of Ethical Behavior* could result in termination.

Ethics in the Development and Sale of Pall Products

Antitrust and Fair Competition

The United States has several laws that deal with fair competition, commonly referred to as antitrust laws. Among them are the Sherman Act, Clayton Act, Federal Trade Commission Act, and the Robinson-Patman Act. The European Union abides by the Treaty of Rome, and many other nations have adopted similar laws and regulations that mandate free and fair competition. These laws exist to protect a free marketplace and benefit all of us as consumers. Pall will vigorously compete for business, but only in strict compliance with applicable laws and regulations. The antitrust laws protect those who compete fairly, but they also provide significant sanctions against those who break the law. Violators may be subject to criminal fines, major damage awards, and possible imprisonment for individuals. To this end, the Company and its employees will not discuss or enter into any of the following agreements or understandings, whether formal or informal.

All of the following are automatically considered unreasonable and illegal. These are referred to as “per se violations.”

Agreements among competitors to:

- fix prices (bid rigging);
- fix production or sales volume;
- fix terms of sale or bids;
- allocate markets;
- boycott or exclude rivals;
- exchange cost or pricing information.

Further, we will not:

- pay bribes to help Pall’s, or hurt a competitor’s business opportunities;
- engage in predatory or monopolistic conduct;
- engage in industrial espionage or commercial bribery; and

- induce customers to breach contracts with competitors.

Awareness of these laws and special care should be exercised if you are a member of a trade association or industry standards committee.

Q A close friend of mine, who used to work for the company, joined a competitor in a similar sales capacity. We are both attending an industry trade show and plan to have dinner together. Is this improper?

A Potentially yes. The inferences that could be drawn from such a meeting could raise the prospect of serious risks for the company. If such an occasion comes up, be very careful to avoid any conversation concerning business transactions or customer relationships, prices, pending bids, or anything else relating to competition. If such topics come up, end the conversation immediately and notify Pall’s General Counsel.

Research and Scientific Practices

Pall is the world leader in fluid clarification and separations technology. To maintain our position of leadership, we rely on our ability to innovate rapidly and in accordance with strict standards of integrity. We will not tolerate scientific misconduct or breach of research ethics. This includes research, test methods, data analysis and reporting.

We have adopted the following policy for appropriate scientific conduct that we believe is consistent with the philosophy and principles of the Office of Research Integrity (ORI), and the National Science Foundation (NSF):

Scientific integrity is the cornerstone of our products and our future. No acts of fabrication, falsification, plagiarism, or other practices that deviate from those that are commonly accepted within the scientific

community for proposing, conducting, or reporting research results will be tolerated.

Advertising and Promoting Products

It is Pall's policy to promote and market our products in a lawful and truthful manner. While it is natural to want to present each product in the best light, employees must be careful to offer an accurate nondeceptive representation of product capabilities and benefits to prospective customers. Some of Pall's products are subject to pre-market regulation. For example, in the United States, companies may not promote medical device hardware or product applications that have not been approved by the Food and Drug Administration (FDA). There are also Federal Trade Commission (FTC) laws that deal with "Truth in Advertising," and state laws that we must be aware of and comply with. These requirements apply to all sales and marketing employees and to any others who represent Pall's products to the public. All information provided to customers must be factual and accurate.

Further, never use tactics that unfairly undermine a competitor's product either in advertisements, demonstrations, comments or innuendo. For specific guidance, refer to Guidelines for Competitive Comparisons, or contact the chair-person of the Quality Assurance and Regulatory Affairs Committee (also known as QARAC) with questions for nonmedical related issues. For Pall Medical issues, contact the Senior Vice President for Global Regulatory Affairs and Quality Operations with a copy to the Chief Compliance Officer.

Certifying Product Quality

Achieving the highest level of product quality requires Pall employees to focus on continuous improvement of work activities. This includes enhancing the value of our products to customers through new and improved technology; reducing errors and

defects/waste; increasing productivity; and improving our responsiveness to customers. The integrity and quality of our products is of the utmost importance. Our major manufacturing facilities around the world have adopted, and have subsequently been certified in conformance with, relevant quality standards (e.g., ISO 9001, etc.). Employees must refrain from any act or lack of action that could cause the Company to deliver products that do not conform to applicable laws, regulations, specifications, test procedures, or performance requirements.

In addition Pall employees must not:

- falsify, alter, or distort inspection or test documentation;
- improperly or erroneously record inspection or test results;
- falsely certify or state that required inspections or tests have been performed;
- falsely certify or state that required inspection or test documents are available;
- mislead any customer's quality control representative; and
- use any substandard parts, or make any unauthorized component substitutions in the manufacturing process.

Q The fabrication process I routinely perform on product "A" requires the same two inspection steps on each batch. These dual inspections appear to be a waste of time and money. Can I eliminate one of the inspection steps if my experience tells me that the fabrication specifications have been satisfied?

A No, quality assurance procedures rely on the fact that specific inspection steps have been taken to ensure the performance of the product. If you have evidence that you are incurring zero defects, ask your supervisor to contact Quality Assurance and request a change to the inspection requirements. Never take action on your own that deviates from

any aspect of the manufacturing processes. Our product integrity depends on compliance with strict manufacturing procedures.

Meeting FDA Regulations

The United States Federal Food, Drug and Cosmetics Act has been interpreted by the courts to have provisions of a strict liability criminal statute. In other words, a Pall employee can be found to have violated the Act even though there was no proof of an actual intent to violate the law. The failure of an employee with responsibility either to prevent a violation, or to promptly correct a violation upon discovery, can expose the Company and the employee to significant liability, including criminal charges.

Because the laws and regulations that affect the manufacture and sale of Pall products are quite diverse, each employee involved with Pall's regulated healthcare products must be aware of the laws and regulations that affect his or her specific responsibilities. For example, manufacturing employees must know and adhere to industry quality requirements and standards and, where applicable, the FDA's current Good Manufacturing Practice (cGMP) regulations; research staff must be aware of and adhere to recognized standards of laboratory practice; and marketing employees must conform to regulatory limitations on the promotion of products. Also, medical device laws require accurate and complete record keeping from numerous departments and business units.

If an "FDA warning letter" is received at any Pall facility, forward it immediately to the chairperson of Pall's Medical Regulatory and Quality Affairs Department with a copy to the Director of the Corporate Quality Assurance and Regulatory Affairs Department. If an FDA inspector arrives at any Pall facility, they should not be admitted to the facility until an

appropriate escort, designated by either Pall's Medical Regulatory Affairs Department or the Corporate Quality Assurance and Regulatory Affairs Department, is available to accompany them. For specific guidance, refer to Pall's Medical Procedures Manual. Any other FDA issues are to be directed immediately to the Corporate Quality Assurance and Regulatory Affairs Department.

Ethics in Record Keeping

Business Records

Pall's business and financial records and documents, including all electronic and computer generated information, must always be honestly and accurately prepared. They are of critical importance to meeting our financial, legal, and management obligations.

All reports, vouchers, bills, invoices, time records, payroll and service records, expense reports, measurement and performance records and any other business data should be prepared with care and honesty. Payments made by or on behalf of Pall must be for the purpose described in the books and supporting documents. No undisclosed or unrecorded Corporate funds or assets may be established for any purpose.

Records containing personal data of customers and employees are confidential. They are to be carefully safeguarded and kept current, relevant, and accurate. They should be accessed only for valid business reasons and disclosed only to authorized Company personnel having a "need to know," or pursuant to a lawful process in accordance with Pall's policy and procedures governing data privacy and disclosure. Questions regarding disclosure of Pall records should be referred to the General Counsel or the Intellectual Property Counsel.

Employees must be aware of the retention guidelines for the types of records generated or

maintained within their respective departments. Retention periods are based on legal, regulatory and business requirements. Certain documents, subject to court orders, legal proceedings, or government investigations are to be retained until disposal is approved by the Legal Department regardless of their age. We do not knowingly destroy or discard evidence. Any questions should be referred to your local records custodian.

Q As a manager, I am required to review and approve my subordinate's expense reports. I am aware that people sometimes embellish entries on their expense reports. Do I have any latitude in permitting these entries to pass my approval and be reimbursed by the Company?

A No, while it is difficult to catch every act of overstating expense report entries, as a manager with approval responsibility, you have an obligation to question those entries that appear to be improper. Fraudulently submitted expense reports are a form of theft and may cause Company financial records to be misstated. Any transactions that are not properly documented, or do not appear to be for legitimate business purposes, should be rejected.

Q I have correspondence files that deal with customers. I am running out of room in my file cabinet. Can I destroy these files?

A No, you must first consult the approved retention schedules for the records generated within your department. These schedules will tell you how long they need to be kept. Records must be maintained in accordance with these schedules and disposed of in accordance with applicable protocols for disposal.

Financial Reporting

Accurate and complete financial statement disclosure is so important that the United States Congress has enacted federal laws that impose internal accounting controls and record-keeping requirements to ensure that public companies meet their financial disclosure obligations. The purpose of these laws is to prevent fraudulent financial reporting.

Pall, as a publicly traded company, assumes an obligation of public trust and a commensurate level of accountability to the investing public. One of the most fundamental obligations of a public company is the full and accurate disclosure of "material" corporate information, including but not limited to financial results. This is made possible by the maintenance of a system of strong internal accounting controls in conformance with generally accepted accounting principles (GAAP).

The term "materiality" is not simply defined. A matter is considered material if there is a substantial likelihood that a reasonable person would view it as important in making an investment decision about a company's securities. For example, the Supreme Court has held that a fact is material if there is, "a substantial likelihood that the ... fact would have been viewed by the reasonable investor as having significantly altered the 'total mix' of information made available." Accounting literature states that, "the omission or misstatement of an item in a financial report is material if, in the light of surrounding circumstances, the magnitude of the item is such that it is probable that the judgment of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the item." Materiality is also not just a question of size. A problem such as a small accounting impact could be considered to be material for other reasons,

such as the impact it might have on Pall's reputation or prospects.

Further, in order to avoid fraudulent financial reporting, employees must not engage in any activities which undermine the integrity of Pall's financial information for any reason, including improper schemes to reach performance goals or satisfy perceived pressures to achieve otherwise valid Company objectives, such as market growth targets, budget commitments, or satisfying investor earnings per share expectations.

Violations of these laws can result in fines for the Company and fines and imprisonment for individuals, among other penalties. Allegations or suspicions of fraudulent reporting should be referred to either Pall's Chief Financial Officer, or the Chief Compliance Officer.

Policy on Entertainment and Gifts

We understand that business is often conducted in social settings. It would be short-sighted of us to prohibit our employees from participating in social events that are intended to build and preserve strong relationships. Although there are some definite rules that we expect everyone to follow, Pall's Anticorruption and Ethics Policy on entertainment and gifts relies heavily on what is reasonable and customary, or required, in particular markets or industries and on good common sense and sound judgment. A good test as to whether a gift or entertainment is acceptable to either give or to receive, is if public knowledge of the situation would embarrass you or the Company.

To that end, we will comply with all U.S. and international laws dealing with gifts and entertainment and with the specific policies of those with whom we do business. The U.S. government, for example, has very strict rules

and laws on receipt of gifts, meals and other business courtesies (see also section on Gifts to Government Customers), that apply to the government as customer, auditor or inspector and to its contractors. Both U.S. law and non-U.S. law also impose restrictions on gifts that may be made to non-U.S. government officials (including through entertainment). Other customers have similar policies as well and we have an obligation to know what they are and to respect them at all times.

Pall's policy, simply stated, is that we are never to expect or encourage gifts or other benefits, never solicit them, or use them as a condition of business. The Company prohibits an employee from offering, soliciting, giving, or receiving any form of bribe or kickback. There are serious penalties, including criminal sanctions, for this conduct, i.e., a quid pro quo.

Pall Corporation recognizes that it is common practice for suppliers to send gifts to their customers and or sponsor entertainment events, particularly during the holiday season. Our preference is to discourage this practice as unnecessary. Supplier gifts, if offered and accepted, should not exceed a nominal value. No gift, no matter how insignificant, may ever be accepted if offered with the expectation of influencing an employee's judgment.

Further, no employee of Pall Corporation may solicit or accept personally, or on behalf of a relative or friend, money, gratuities, negotiable instruments, financial interests, personal services, facilities, or "other benefits" from any organization or individual doing or seeking to do business with the Company.

"Other Benefits" for this purpose are defined as personal loans, preferred investment opportunities, special price concessions, discounts, special terms, or free services which personally benefit an employee. Further, employees may not accept extended hospitality

in any form including entertainment at a resort or similar accommodation, or payment of personal or business expenses, from any organization or individual who has, or who seeks to have, a business relationship with the Corporation.

For the reasons stated above, entertainment by a Pall employee, or being entertained by a representative of an organization doing or seeking to do business with Pall, to be acceptable, should constitute an event that can be categorized as appropriate, reasonable, infrequent, and subject to reciprocity.

If you need help determining whether entertainment or gifts are acceptable either to give or to receive, please consult your supervisor or your Regional Compliance Officer.

Q Can I accept gifts and/or invitations to sporting events from suppliers?

A Yes, as long as your participation is not a condition of business and it is of nominal value. (i.e., being the guest of a vendor at the Super Bowl is not acceptable). To avoid the potential for a conflict of interest, it should not take place during a time when you are negotiating a purchase or evaluating a bid that involves that vendor.

Q I organize business meetings. A hotel I often book rooms at has offered me and my guest a free weekend for my personal use. Can I accept it?

A No. Acceptance of the offer could appear to be payment for your choice of the hotel for business meetings.

Protecting Pall's Confidential Information

What is Considered Confidential?

Pall considers confidential, information, whether or not in written form, which has not been made available to the public, and relates to the Company's products, processes, or business results, including but not limited to information about research and development, engineering, manufacturing, purchasing, and facilities. It also includes marketing or sales plans and results, customer information, Company financial statements and projections, and policies and procedures. We have adopted a very broad definition of what we consider to be confidential and rely on you to protect all of our confidential information at all times and by all means.

As an employee of Pall you may create or be trusted with Company confidential information. It must never be disclosed outside of Pall without permission and must be accompanied by a signed nondisclosure agreement. Use of Company information by an employee for personal gain or for the gain of relatives or friends is a misuse of Company property. Even if the Company does not suffer an immediate measurable monetary loss, it can be injured in other ways -- for example, loss of competitive advantage or reputation.

Because the value of such information is easily lost through disclosure, employees with access to confidential information must adhere to the instructions found in Pall's Policy, Procedures, and Forms for the Protection of Confidential Information for the appropriate legends to be used when distributing Pall information.

It is the Company's policy to respect the intellectual property, including trade secrets, patents, and copyrights of others, including those of former employers. In compliance with

applicable state laws and the Economic Espionage Act of 1996 (EEA), no proprietary information belonging to others will be retained or used by Pall without written permission. Such information, if obtained by a Pall employee, by any means, must be turned over to the General Counsel who will take appropriate action.

Q I would like to purchase a competitor's product and send it to our laboratory for evaluation. My objective would be to determine if there is any performance difference between our similar products. Is there any problem with this?

A No, but such a question could prove difficult to answer. In general, information that is readily available in the marketplace is not considered confidential and may be used for competitive purposes. But this is not always true. For example, if written material is copyrighted, you may not duplicate it. If a product is patented, you may not infringe that patent or manufacturing know-how. Before making any public statement about a competitor's product, be sure you know the rules. Consult the Mission, Vision, and Values Statements for R&D or contact the General Counsel for guidance. If the results of the evaluation are intended for publication or any competitive purpose, consult the Guidelines for Competitive Comparisons.

Copyrighted Data

Most published information, including data found on the Internet, has copyright protection assigned to it by the owner.

Unauthorized copying of copyrighted material, whether in paper or electronic form such as books, magazines, data from Web sites, and journals without permission from the copyright owner, is an infringement of the proprietary rights of the author/owner. Pall's policy prohibits its employees and its agents from

infringing the copyrights of third parties. This includes, but is not limited to, that portion of the material that has been photocopied/downloaded/scanned, and/or the result of an electronic search. Questions regarding this policy should be brought to the attention of the Business Information Center or the Intellectual Property Counsel.

Providing Information to the Media and Others

It is against Company policy for employees, other than specified spokespersons, to provide information to the media, security analysts, researchers and others outside the Company unless it has been publicly disclosed in official Company documents. Those making unauthorized disclosure of confidential information risk securities law violations. Unless you are certain that the information is already in the public domain, do not provide it.

It is important that all information disclosed outside of the Company be consistent, accurate and timely. If you are not specifically authorized by the Chief Executive Officer or the General Counsel of Pall to release the requested information, do not provide it. Refer to Pall's Corporate Communications Policy, or contact Pall's Vice President of Communications.

Removal of Company Documents

Upon accepting employment with the Company, you were asked to sign an employee agreement. Among many items, Pall's Agreement addresses the unauthorized disclosure of confidential information, regardless of whether it belongs to Pall, a customer, or a supplier, either during or after your employment. Your employment with Pall assumes an obligation to maintain confidentiality, even after you leave our employ. Please be reminded that no one is permitted to remove or make copies of any Company records, reports, or documents without prior

management approval. Further, unauthorized disclosure of non-public Pall information could lead to termination, as well as appropriate legal action.

Q I recently joined the Company as a marketing manager and I have considerable correspondence in my possession from my previous employer regarding products and pricing on products. Can I share these data with Pall's salespeople?

A No, whether or not these data are marked as "confidential" or "proprietary," it cannot be used by Pall and should not be brought onto Company premises. You should return these files to their rightful owner.

Insider Trading

An employee must not use confidential non-public information obtained from or through the Company to trade in the securities of Pall Corporation or any other public corporation. The Insider Trading and Securities Fraud Enforcement Act (ITSFEA), Securities and Exchange Commission (SEC) regulations and Company policy prohibit any employee from providing tips to others and from using inside information for personal financial gain. Inside information is defined as non-public information that a reasonable person would view as important in making an investment decision about buying, selling, or holding a security such as:

- expansion plans;
- major management changes;
- dividend rate or policy changes;
- projections of future earnings or losses;
- actual earnings prior to release;
- proposed mergers or acquisitions;
- significant regulatory decisions affecting the Company; and
- material new projects or contracts.

Employees are also cautioned about the potential consequence of anonymous posting to Internet message boards, chat rooms or other forms of social media. We strongly recommend that if you feel a need to express your opinion about any publicly traded company that you identify yourself when making the posting. Comments that are made with the intent to raise or lower the value of a company's stock price could lead to allegations of securities law violations. If you have a question or concern regarding Pall, we encourage you to address it to the appropriate person within the Company. Also be advised that posting or otherwise sharing outside of Pall any confidential information about Pall (see also the section on Protecting Pall's Confidential Information) is a violation of Company policy, regardless of whether that information could be material to an investor in Pall's securities. Further, the purchase or sale of puts, calls, or other options involving securities of Pall Corporation is prohibited by corporate policy (as are short sales of Pall's common stock). All employees should be especially careful not to pass inside information on to anyone, including family or friends. If you are eligible for, and the requirements are met, you may purchase Pall Corporation stock through a properly granted stock option. You are likewise permitted to purchase Company stock on the open market, as long as it is not based on confidential (non-public) information. Please refer to the Company's Insider Trading Policy for additional information and guidance.

Due to their regular receipt of insider information, Pall's directors and other senior management personnel are subject to special restrictions on their ability to transact in Pall's securities, including a requirement to pre-clear their transactions with the General Counsel. Those restrictions are set out in Pall's Insider Trading Policy.

If you are a director or executive (section 16) officer of Pall, federal law also prohibits you from retaining any profits from the purchase and sale (or sale and purchase) of Company stock within a six-month period (short-swing transaction). For a full explanation of the rules and regulations that executive officers and directors must be aware of, contact the General Counsel.

Q If I hear via the grapevine that Pall is considering acquiring a company, may I buy stock in either Pall or the target company before it is announced?

A No, as a Pall employee such a transaction would be considered trading while in possession of information (insider trading) that has not been released to the public. Under U.S. Securities law, if such information is determined to be “inside information,” such a transaction would be illegal.

Q I am a secretary for one of the Company’s executives. I told my husband about a conversation I overheard outside my boss’s office about this past quarter’s earnings. The news is quite good. He has told our neighbor and they are considering a joint investment in the Company’s stock. Is this a problem?

A Yes. Sales and earnings results are extremely confidential until they have been released to the public through a news release. Further, your job could be in jeopardy for relating this information to your husband. Now that he has told your neighbor and, if, based on this “inside information,” they invest in Pall stock and benefit financially, they could also be charged with insider trading. You and your husband could be charged with “tipping.” Such transactions are illegal and could subject the parties involved to serious criminal charges and civil liability.

Company Resources: Property and Time

Misuse of Company Property, Records and Funds

As a Pall employee, you are expected to protect and preserve the Company’s property and assets. Preventing the loss, damage, misuse, or theft of Pall Corporation property, records, and funds is a matter of personal responsibility for all Pall employees.

Company property is to be used for conducting business and must not be used personally, sold, or given away without proper authorization. Company procedures for dispersing, receiving, and reporting the use of funds are designed to protect the employee as well as safeguarding the Company’s assets and must be adhered to. Company resources include your time at work, materials, supplies, equipment, information, electronic mail, and computer systems. These resources are to be used to fulfill Company goals and objectives.

During the workday, employees are permitted to perform non routine personal tasks with their supervisor’s approval. Routine personal use of Company resources is not permitted. Examples of prohibited personal uses include but are not limited to the following:

- calling or faxing long-distance;
- general photocopying of documents for personal use without permission;
- bringing office supplies home;
- using Company tools, equipment, vehicles, or other assets for personal use without permission;
- using the Company e-mail, Internet, or other commercial services provided to you by Pall for personal use without approval.

Q This weekend I am doing some repair work on my house. Can I bring home some of the tools from the Company's Maintenance Shop?

A No, we do not allow any equipment to be removed from Company property to be used for personal purposes as it is very difficult to hold the Company harmless if someone is injured as a result of its non-business use. The only exception to this is Company owned cars, computers, and cell phones. Equipment typically found in a Maintenance Shop requires some expertise to operate safely. If damage or loss of the equipment occurs, it may be financially impractical for the employee to reimburse the Company or replace the equipment.

Q My sister lives out of state and I try to keep in touch with her once a week by calling her. Is it permissible to use the Company telephone lines?

A No, routine use of Company resources for personal purposes is prohibited. Assuming these calls are being made during normal working hours, you are also using valuable time that should be directed to your Pall duties and responsibilities.

Computer Systems

Computer systems today are essential for the daily operations of all Pall companies. Accordingly, it is imperative that the hardware, software, and data accessed or processed using computers and stored in them are adequately safeguarded and used only for Company purposes.

In addition, all documentation relating to the licensing of software and its use must be accurately maintained, and in a manner capable of verification. No unauthorized copying,

borrowing, publication or use of copyrighted software is permitted. Pall employees are prohibited from creating electronic databases using third-party copyrighted material found on the Internet or the transmission of digital information from one site to another via "Metatags," "Framing" or "Deep Links."

The Internet can be an effective business tool as long as it is used in accordance with policies we have established. Only those employees with a valid business reason may access the Internet from within our Company network. For specific guidance in the use of Pall's computer systems, please refer to Pall's Corporate IT Policies and Standards, Electronic Mail Policy or Pall's Internet Usage and Security Policy, all of which can be found on Pallnet.

Software, e-mail, and voice mail are corporate resources that are licensed and should be used for authorized business purposes only. Because these items are Company assets, the Company reserves the right to review and search, without notice, any information stored in these systems. Employees do not have an expectation of privacy with respect to their use of these assets.

Q The Company has provided me and some of my staff with computers and a limited amount of specialized engineering and scientific software. Unfortunately, budget restrictions have precluded my entire staff from being comparably equipped. We have a major project due for a customer. Would it be permissible to copy some of the engineering software needed for this project and then pay the licensing fees when budget constraints are lifted?

A No. This could be considered a copyright infringement, for which the penalties can be substantial. This is an example of attempting to solve a short-term problem without considering the long-term consequences. These could include embarrassing publicity, the withdrawal

of our right to use the software and substantial penalties.

Conflicts of Interest

A conflict of interest exists when a personal interest or activity interferes, or appears to interfere, with the duties and responsibilities you, as an employee, owe to the Company. An employee's interest conflicts with that of our Company when the employee profits, or has an opportunity to profit, directly or indirectly, through a misuse of a Company position. To facilitate compliance with these prohibitions, employees, including executive officers, must report to the Chief Compliance Officer circumstances that may create or appear to create a conflict between the personal interests of the individual and the interests of the Company, regardless of the amount involved.

You are expected to devote your maximum ability to Pall's interests while in the employ of the Company. Employment outside of Pall is permissible subject to any contractual agreement to the contrary. Such outside employment must not interfere with your job performance at the Company, including the availability to travel. Employees are prohibited from any affiliation with a competitor, or from performing any work that would reflect adversely on the integrity of Pall.

Everybody knows that it is wrong to take Company property or sell Company information, or accept for personal gain, rebates, fees, or commissions from suppliers or others doing or seeking to do business with us. However, some conflicts of interest may be subtler. All employees need to be particularly alert in order to avoid even the appearance of a conflict of interest.

Some situations in which a conflict of interest may arise, and therefore must be avoided, are as follows:

- allowing any outside enterprise, relationship or activity to affect or influence your decisions on behalf of the Company;
- accepting any employment or promise of future employment (including serving as a director, officer, or consultant) with a company or individual that competes with, or which does or seeks to do business with the Company;
- having a significant financial interest (greater than 1% of a company's net worth, or greater than 10% of your base income) in a company doing business with, or competing with Pall;
- placing Company business with any family member (directly related or related by marriage) or with any enterprise in which you or a family member has a significant financial interest;
- acting for anyone other than Pall in any transaction with the Company (e.g., helping someone to sell products or services to the Company);
- speculating in or dealing with equipment, supplies, materials, or property purchased or sold by the Company;
- using Company time or resources for any personal outside enterprise, relationship, or activity, without your supervisor's approval;
- misusing any confidential or proprietary information of the Company or supplier for personal financial gain;
- acceptance of hospitality or entertainment that exceeds a nominal value;
- favoritism in any way in hiring practices, including those having a direct reporting relationship with family and friends.

Q Do the conflict of interest policies apply to business transactions with my distant relatives such as cousins, in-laws, or friends?

A Yes, if the relationship is such that it could influence your objectivity or create the appearance of impropriety, you should avoid

participating in any business transaction with these parties.

Q I am reviewing three proposals for some new equipment. One of the suppliers, with whom I have done business before, has invited me to a golf tournament her company is sponsoring. Would it be a conflict of interest for me to accept?

A Possibly, as you are currently reviewing a proposal from the supplier. Accepting hospitality or entertainment from the supplier could certainly appear to be a conflict of interest. Before accepting, you should review the situation with your supervisor or your Local Compliance Officer. Together, you should consider issues such as: the value of the entertainment invitation; the size of the pending proposal; whether you are the sole decision-maker on the proposal; and whether public disclosure of your acceptance of the invitation would embarrass you or Pall.

If, after considering these issues, you attend the event, you should of course refrain from discussing any pending transactions between the Company and the supplier. Such discussions could give the appearance that your invitation to the event was conditioned on your favorable consideration of the supplier's proposal.

Political Activities

Pall has always endeavored to transact business in accordance with both the laws of the United States and the laws of every country in which the Company does or seeks to do business. As a company, we will not contribute to political parties, candidates, or public officials except as permitted by law. Contributions made by individual employees or agents will not be reimbursed either directly or indirectly. Consistent with U.S. campaign finance law and

regulations, Pall Corporation prohibits the unauthorized use of Corporate funds, assets, resources, or facilities for political purposes in the U.S. and abroad.

Pall Corporation supports many worthwhile civic, social, and community projects and organizations. Similarly, the Corporation encourages its employees to actively participate in community affairs, including political activities and social welfare efforts on their own time. Such service can appropriately include both volunteer work in the private sector and in public affairs, and the holding of elective or appointed office.

Employees who consider running for public office must represent themselves as individual citizens and may not represent the Company in any way while carrying out public duties. The Company will take no action with respect to employees as officeholders that may be construed as an attempt to influence them in their exercise of duties as public servants. Employees who hold public office must not participate in their capacity as public officials in any decisions that affect Pall Corporation.

Employees who do accept public office are reminded of the Company policy regarding "conflicts of interest." Employees must inform the General Counsel as soon as possible when considering running for or accepting a public position. When the Company is informed by an employee that he or she is considering a public office position, the General Counsel will review the matter to determine if a conflict of interest may subsequently exist. Where an apparent conflict exists, the General Counsel will inform the employee in writing of any action required under the circumstance to avoid the conflict. If, while serving in public office, the employee assumes a new public position, the duties of the present position change fundamentally, or a potential conflict of interest arises with the employee's duties as a Pall employee, the

employee must notify the General Counsel immediately.

In order to avoid any problems with U.S. campaign finance laws, the following guidelines will be observed:

- no Company contributions will be made for any candidate for federal office;
- an employee who is a foreign national may not make a personal political contribution or expenditure, or be involved in any political fund-raising activity for a U.S. political party or candidate;
- no Company political contributions may be made in the name of another individual, company, or any other third party;
- no personal political contributions may be made in excess of the applicable federal and state laws;
- employees are prohibited from collecting funds on Company time for political fund-raising activity, or pressuring coworkers to make political contributions or otherwise participate in political fund-raising activity; and
- submission of false, incomplete, or misleading reports to government agencies responsible for the administration and enforcement of campaign finance laws is prohibited.

This is a highly regulated and complex area. Serious financial penalties, negative publicity, and criminal prosecution can result from violations of these laws. If you have any questions or concerns in this area, contact the General Counsel's office immediately.

Q I do volunteer work for a candidate for the U.S. Senate. May I ask my secretary to type some documents and make copies on the Company copy machine?

A No, the secretarial service which the Company has provided you should only be used for Company business. You are not permitted

to use Company resources for personal or political purposes.

Q My boss asked me to make a \$500 contribution to a political candidate whom she believes, if elected, will help the Company obtain additional government business. She has stated that the Company will reimburse me when I put the donation on my expense report and classify it as T&E. Is this permissible?

A No, there are several problems with this proposal. It may represent an illegal campaign contribution. Your supervisor has asked you to falsify Company records (expense report) and submit a fraudulent request for reimbursement of expenses presumed to be for Company purposes. This issue should be brought to the attention of the General Counsel or Pall's Chief Compliance Officer immediately as this is a serious breach of Company policy and the law.

Maintaining a Safe Workplace

Pall Corporation is committed to providing a safe and healthful working environment. The Company makes every effort to develop operations, procedures, technologies, and programs conducive to such an environment, as well as to comply with relevant federal, state and local occupational health and safety laws.

Pall Corporation's policy is aimed at preventing the exposure of employees, customers, and other visitors to our facilities to health or safety risks. To accomplish this objective, all employees are expected to work diligently to maintain safe and healthful working conditions and to adhere to proper operating practices and procedures designed to prevent injuries and illnesses.

The responsibilities of all Pall personnel in this regard include:

- exercising maximum care and awareness at all times to prevent accidents and injuries;
- reporting to supervisors and seeking first aid for all injuries, regardless of how minor;
- reporting unsafe conditions, equipment, or practices to supervisory personnel;
- using safety or personal protective equipment whenever and wherever needed; and
- notifying their supervisors, before the beginning of the workday, of any impairment or medication they are taking that may cause drowsiness or other side effects that could lead them to injure themselves or their coworkers.

Failure to follow the above policy will result in disciplinary action. Please consult your supervisor, facility Safety Manual, or Facility Safety Coordinator with questions. Unresolved concerns should be directed to the Vice President of Environmental, Health and Safety (EHS).

Q What should I do if I see a coworker doing something that appears to be against Company policy, such as performing a task in an unsafe manner or smoking in a restricted area?

A We do not advocate creating an environment of confrontation with fellow employees but if you believe a violation of Company policy has occurred, say something to him/her immediately. Many issues of non-compliance are unintentional and the result of a misunderstanding or a lack of knowledge. If the situation persists or you are not comfortable raising the issue with the coworker, notify your supervisor. Infractions of Company policies are serious and need to be corrected in a timely manner. Intentional violations will lead to disciplinary actions. Employees who are aware

of violations and fail to report them also risk disciplinary action.

Preserving the Environment

Pall Corporation's business is solving complex contamination problems. Our proprietary filter media are used to remove contaminants from liquids and gases in a very broad range of critical applications. Increasing emphasis on protecting the environment has led others to rely on our expertise.

Pall Corporation is also committed to providing effective environmental programs and controls at all of our facilities. We maintain an audit program of continuous quality improvement and it is through this process that environmental, health and safety programs are continually monitored in a company-wide effort to improve our workplace and prevent accidents. To this end all employees must observe and comply with federal, state and local laws and regulations concerning the pollution of our environment, and are encouraged to operate as environmentally responsible citizens.

Each Pall manufacturing site is required to establish a documented environmental management system to ensure our compliance requirements are fully implemented. Each of our subsidiaries will utilize the environmental management system to set policies to sustain an effective compliance program.

Specific policies and procedures include compliance with federal, state and local regulations relating to:

- Hazardous spills, emissions, waste;
- TOSCA/asbestos (Toxic Substances & Control Act);
- HAZMAT (shipment and proper labeling of hazardous waste);
- RCRA/hazardous material disposal (Resource Conservation and Recovery Act);

- Clean Air and Water; and
- Handling of toxic materials.

Please consult the Company’s Environmental Policy statement, the above referenced policies on Pallnet, or contact your facility’s Environmental Coordinator or the Vice President, EHS with questions, if any.

Q A fifty-five gallon drum located outside of the building, of what appears to be oil, was knocked over and is spilling into a storm drain. What should I do?

A First, notify your facility spill response team: they will pick the drum up so the contamination is mitigated. If you have been trained in spill response and can do so without exposing yourself to unnecessary risk, pick up the drum immediately. Your facility’s Environmental Coordinator will notify the Vice President of Environmental, Safety and Health who will notify the regulatory authorities as appropriate.

Doing Business with the United States Government

Doing business with any government agency has its own unique challenges and rewards. The United States government has very specific rules and regulations that must be complied with. Pall has both prime and sub-contract business relationships with the Department of Defense, General Services Administration, Department of Energy and the Environmental Protection Agency, to name a few. As a result of these business transactions, we are subject to strict compliance with the Federal Acquisition Regulation (FAR). Some aspects of business conduct that are acceptable in the private sector may violate these regulations and result in fines, penalties, suspension from being awarded contracts, debarment, and even criminal

prosecution of the Company or individual employees.

In this section of the Code, we will list and describe some of the areas that employees who do business with the government need to be aware of. Questions should be referred to the Chief Compliance Officer or the Security Director, as appropriate.

Classified Information

Our national security depends on each of us safeguarding classified information when it is in our possession. Pall and its employees pledge full and uncompromising compliance with all of the laws, regulations, and policies governing classified national security information. Access to classified information is restricted to those individuals with appropriate government security clearances and a valid “need to know.” Unauthorized possession, use, disclosure, or transmission of classified information constitutes a violation of the Company’s security agreement with the U.S. government and may be punishable by fines and imprisonment.

Proprietary - Source Selection Information

Proprietary information includes confidential competitor information such as drawings, product specifications, manufacturing knowledge, and cost and pricing data that support a proposal to the government.

Source Selection information includes government-sensitive information and documents such as supplier selection plans, technical evaluation plans, competitive range and source selection determinations, competitor’s bid prices (prior to bid opening), and competitor’s proposal prices (prior to contract award).

Whether or not this information is marked with legends “proprietary,” “protected” or “company private,” Pall employees will not

solicit, receive, or in any way use, proprietary and source selection information of a competitor's unless legally permitted and pursuant to a written agreement.

Q A government employee has asked me to help develop the technical portion of a bid specification his agency is planning to issue for competitive quotes. We may be one of the bidders. May I do this?

A First of all, get permission from the General Counsel to provide such assistance. Some companies misuse such an opportunity to skew the technical specifications so only that company's product appears to satisfy the customer's needs. This would be unethical. You may provide factual information regarding Pall's products, but your assistance in developing the bid specification should be limited to offering theoretical solutions unrelated to the Company's products to satisfy the customer's needs.

Gifts to Government Customers

U.S. government employees are subject to strict rules and laws regarding receipt of gifts, meals, and other business courtesies. Money may never be offered to any government personnel. Pall's policy as set out in the Anticorruption and Ethics Policy is not to provide gifts, entertainment, meals, or anything of value to government officials, except for minor refreshments or promotional items in connection with business discussions.

Q Do all government agencies have the same rules and regulations on accepting meals and entertainment?

A No, regulations differ among federal, state, local, and foreign government agencies. Gifts of any value, with the exception of minor refreshments at business meetings, are prohibited to U.S. government officials. When

dealing with officials or employees of any government agency, find out what the specific limits are.

Anti-kickback Enforcement Act of 1986

Under the Anti-kickback Act, a government contractor or subcontractor cannot give or receive anything of value that is intended to elicit favorable treatment.

Specifically, it is a violation of the Act for an employee to accept a commission or payment of any kind from a vendor or supplier providing goods and services, either directly or indirectly, on a government related contract.

Q After negotiating a new subcontract with us on our requirements for a government contract, the supplier sent me a clock with his logo on it to show his appreciation. Can I accept it?

A You may accept gifts that are promotional in nature and whose value is nominal in value (less than \$50). This represents a more restrictive application of the Company's Business Entertainment and Gifts Policy. The U.S. government has very strict rules on gifts and expects everyone, including its contractors, subcontractors and its own employees to be aware of them and follow them when dealing with a government-related contract. If the value of a gift appears to exceed this very specific nominal amount and if the item is not of a promotional nature, accepting it may be considered a violation of the Anti-kickback Act. A unique aspect of the Anti-kickback Act requires a company to notify the Department of Justice (DOJ) immediately when a "suspicion" of a kickback has been raised that may directly or indirectly affect a government contract. Such suspicions should be brought to the attention of the Chief Compliance Officer immediately.

Protecting the Company's Proprietary Information

Under law, government agencies may be required to release information in their possession unless they are on notice that the entity submitting the information considers it proprietary and/or confidential. Thus, it is necessary that such information given to the government be marked with an appropriate restrictive legend to put third parties on notice that the Company considers such information to be confidential (see also section on Confidential Information).

Preparation and Submission of Price and Cost Proposals, Invoices, and Other Similar Documents

Negotiated Fixed Price and Cost-type proposals, cost-reimbursement invoices (public vouchers), and many other submissions that the Company may prepare and submit to government agencies and/or federal prime contractors, may contain or imply important certifications and representations.

The Truth in Negotiations Act (TINA), False Claims Act (FCA), and the "False Statements Act" (FSA) are important laws dealing with government procurements that we must be aware of when participating in government related contracts. Certifications and representations under these laws impose financial disclosure and other legal obligations on the Company and its personnel. When a proposal is made to a prime or subcontractor on a U.S. government related negotiated procurement, and a fixed-price contract in excess of \$500,000 results, a certification may be required that the data disclosed to support the price agreed to was current, accurate and complete. Likewise, when a customer is invoiced on a fixed-price contract or presented with a public voucher on a cost-type contract, the supporting data for the transaction must be accurate, allowable, and allocable. At all times, care must be exercised when preparing and submitting proposals, invoices, or any

documents associated with a government related contract.

Labor and Material Charging

The integrity of a company's books and records is important in all business transactions, but especially so in government contracts. The award of a negotiated fixed-price contract may have relied on cost and pricing data that were obtained from previously completed work orders. On cost-type contracts, invoices to the customer are developed from labor, material, and overhead charges to work orders. To avoid a "defective pricing" allegation (TINA) on a negotiated fixed-price contract, or a "false claim" allegation (FCA) on a cost-type contract, costs must always be charged accurately and in the appropriate amount, regardless of the status of the program.

Labor charging time sheets and other associated cost accumulation records must be current, accurate, and complete. Falsification of any of these records is a serious breach of Pall's Code of Ethical Behavior and will not be tolerated. Clear and appropriate audit trails are important and must be maintained for all transactions so we can document our actions during contract performance. Amending time sheets or other records can only be done in accordance with approved procedures and must be supported by appropriate documentation and approvals.

Q I'm working on a manufacturing work order and noticed that more material was charged to the work order by the stockroom than was needed to complete the order. What should I do?

A Notify your supervisor immediately and ask him or her to advise the appropriate person in Cost Accounting of the excessive charge. Your corrective action options are to either transfer the excess material back to the stockroom or locate the correct work order to

charge the excess costs to. The integrity of manufacturing work orders is not only important for the profitable operation of Pall's business, but also for government contract purposes since an act of "mischarging" could have serious repercussions.

Unallowable Costs

By Federal Acquisition Regulation (FAR) and the Cost Accounting Standards (CAS), many costs ordinarily incurred in commercial transactions are specifically "unallowable" under government contracts (see FAR part 31, Contract Cost Principles or CAS #405). The government expects contractors to be aware of these costs, identify them as proscribed by FAR 31.201-6, and exclude them from negotiated contract proposals and requests for reimbursement.

Holding Employment Discussions with and Hiring Government Personnel

There are strict and complex laws and regulations governing the recruitment and hiring of government personnel, and in some cases consultants. Government officials, who have knowledge of, or involvement in, a procurement action by the government or involvement during subsequent contract performance, are prohibited from discussing employment opportunities with a contractor or prospective contractor, unless advance written approval is obtained from the head of the procuring agency. Under post-employment rules, a government official who had knowledge of, or was directly or indirectly involved in contracts the company had with the government, cannot accept employment from the contractor for one year after leaving government service. Some positions within the government are subject to "life-long" restrictions on working for government contractors once the individual leaves the government.

The Company does not expect its employees to know the intricacies of employment rules for government personnel. Before holding any employment discussions with current or former government employees, contact your Human Resource Office for guidance.

Doing Business Internationally

Pall does business around the world. We import products and raw materials from abroad and ship our products to both domestic and foreign customers. It is Pall's policy to comply with all United States laws, as well as foreign laws and regulations that apply in the countries and localities in which we do business. These laws can be quite complex and confusing. When questions arise concerning the application of these laws, contact the General Counsel or refer to the Company's Anticorruption and Ethics Policy available on Pallnet.

Foreign Corrupt Practices Act

"Know before you go" -- As a U.S. based company we must comply with the Foreign Corrupt Practices Act (FCPA). The FCPA has two principal sections: the first essentially prohibits the bribery of foreign government officials, which include not only persons acting in an official capacity for or on behalf of a government, but also candidates for political office and employees of state-owned enterprise. The second concerns record keeping and financial controls, and prohibits the creation of "off-the-books" accounts (slush funds). Employees who engage in international business are responsible for knowing and complying with both the FCPA and the anti-bribery laws and regulations that govern their behavior and business transactions in a host foreign country. For example, the FCPA forbids the use (directly or indirectly) of Company funds, assets, or gifts for bribes or other corrupt purposes. This includes pay-

ments, offers or authorizations of payments of anything of value, directly or indirectly to any official, employee or agent of any government, or any government agency, to obtain or retain business, or otherwise to secure an improper business advantage. An improper business advantage would include an attempt to receive a favorable tax treatment by means of a bribe.

The FCPA does permit payments of insignificant amounts referred to as “facilitating payments.” These are defined as small amounts demanded by low-level foreign government employees to perform routine clerical functions such as inspecting goods and securing shipping permits. While such payments are discouraged from both an ethical and compliance perspective, they may sometimes be permissible under U.S. law and the host country’s laws. If such payments are contemplated, you should bring the event and the circumstances surrounding the payment to the attention of the local compliance officer and financial controller before the payment is made.

In all business dealings, special care should be exercised to ensure that:

- no bribes, kickbacks, or other illegal payments are made by or on behalf of the Corporation, directly or indirectly;
- no false, or artificial entries are made in the books and records of the Corporation;
- no undisclosed or unrecorded Corporate funds or assets shall be established for any purpose; and
- no payments are made by or on behalf of the Corporation for any purpose other than that described by the supporting documents and records maintained by the Corporation.

Q We use a foreign agent to assist us in making sales in the Middle East. He is paid a substantial commission on the business he obtains for us. I am concerned that some of

this money is being used to bribe foreign officials. Should I be concerned?

A Yes, the Company is subject to prosecution for the actions of its employees and agents. This agent should have a representation agreement with the Company. It must include a provision that the individual is aware of and will comply with the requirements of the FCPA. If you have any reason to believe that bribery may be occurring, contact the Chief Compliance Officer or General Counsel immediately. Otherwise, you and the Company may be at serious risk.

Q In certain countries, it is necessary to make small payments to clerical government employees in order to get paperwork processed in a reasonable time. Is this legal?

A Possibly. The first thing you should do is consult your Regional Compliance Officer to determine if the payment is permissible under the FCPA and whether the anti-bribery laws in the host country prohibit such payments. Under U.S. law, small payments such as this may not be considered a bribe, but a “facilitating payment.” However, in some countries, Singapore for example, even an attempt at such a payment could result in severe penalties. Do not assume that the payment is legal. Obtain legal advice and review the situation with your Regional Compliance Officer.

Trade and Foreign Boycotts

American corporations, and their subsidiaries, are prohibited by law (Anti-boycott Act) from participating in or agreeing to participate in unsanctioned boycotts imposed by a foreign country (or countries) upon a country, or a business organized under the laws of the target country, that has friendly relations with the U.S. government.

This prohibition includes furnishing information (public or otherwise) for boycott purposes. Further, furnishing information with respect to race, religion, sex, for discriminatory purposes is also prohibited. Likewise, entering into contracts and letters of credit containing boycott-related conditions is prohibited. Any requests for such information must be reported to General Counsel immediately. Under the law, the Company has an obligation to report such requests to the government.

Export Control and Embargo Laws

There is no inherent right to export products and or information (technology) from the U.S. The item to be exported and the destination are the two most important factors in determining whether an export will be permitted. Federal law (Export Administration Act) prohibits the export or re-export of some products and or technologies of U.S. origin without a valid export license issued by the U.S. government. All military related products are controlled by the Department of State's "Munitions List." All commercial products are controlled by the Department of Commerce's "Commodity Control List" (CCL). All products associated with nuclear applications are controlled by the Nuclear Regulatory Commission (NRC). In addition, when shipped overseas, all products must be classified with the proper Export Commodity Control Number (ECCN) and, when appropriate, be accompanied by a "Shipper's Export Declaration" (SED). A company can also be held liable for a "deemed export," which could occur when a foreign national, whether or not they work for a Pall company, visits a U.S. facility and information or technology is exchanged or made available to them (including subsequent e-mail).

As a manufacturer of products and technology that may be exported, we have an obligation under the Bureau of Export Administration (BXA) rules and regulations, to know and disclose the end use and final destination of the

item exported, whether we are the actual exporter or not. Under no circumstances should products be sold without adequate assurance that we have obtained factual information in this regard. If we have reason to believe that a domestic customer will export a product we sell to them, we will request a copy of their export license before our shipment is made to them. Any customer who refuses such a request, or provides information that the freight forwarder is the final destination, has not provided the Company with adequate information to ensure our interests are protected and that the shipment is in compliance with export regulations. No export shipment should occur until all appropriate information is provided.

For specific answers to questions regarding embargoed countries and/or the need for an export license, please consult the Export-Import Policies and Procedures Manual found on Pallnet or contact your local Trade Compliance Department.

Import Laws

The U.S. Customs Office also has laws and compliance requirements. With few exceptions, all imported goods require duties to be paid based on proper classification and valuation of the imported items. In addition to financial duties levied on the imported products, there are specific record retention requirements that must be observed. If a U.S. Customs official asks you a question about an import, answer the question fully or refer the official to someone who can. The potential penalties for "false statements" are severe. Specific compliance questions should be referred to your local Purchasing Manager or reference the Export-Import Policies and Procedures Manual on Pallnet.

Trading with the Enemy Act (TWEA)

Since the TWEA is a criminal statute, it is important to be aware of what constitutes a violation. The regulations which implement the

TWEA provide for the blocking or freezing of assets and the prohibition of commercial transactions as follows:

- Foreign Assets Control Regulations (FACR) controls transactions by U.S. parties in or with North Korea, Vietnam, and Cambodia;
- Transactions Control Regulations (TCR) controls exports of strategic commodities and technology to Albania, Bulgaria, Cambodia, Czech Republic, Slovak Republic, Estonia, Latvia, Libya, Lithuania, North Korea, Mongolia, the Peoples Republic of China, Poland, Romania, Serbia, the former USSR, and Vietnam;
- Cuban Assets Control Regulations (CACR) controls transactions with or in Cuba;
- Foreign Funds Control Regulations (FFCR) affects property in the Baltic Republics and the former Soviet sector of Germany. Although the Office of Foreign Asset Control (OFAC) has amended these blockages they nonetheless remain on the books.

The countries listed above are subject to change, as are the restrictions imposed. Consult with the Company's Chief Compliance Officer or your Regional Trade Compliance Department if you have any questions in this area or refer to the Company's Ban on Trade Policy.

Possible Consequence of Violating U.S. Laws

Consent Decrees — Government Commitments

From time to time, every company faces the harsh reality of an allegation of misconduct, or an allegation that the company violated a law or regulation. Many of these allegations are settled without litigation. When they are with the government, these settlements often include an agreement on the part of a company to implement policies and procedures to ensure such a violation does not occur in the future.

The Company has, from time to time, entered into consent decrees or settlements with the government. These agreements obligate the Company and all its employees to specific performance requirements. Further, it is the obligation of all management personnel to be aware of these agreements, if relevant to their area of supervision; and to ensure that our promises of compliance are kept and not abrogated by some act or omission.

When the Company enters into a consent decree, appropriate members of management will be so notified by the General Counsel. Any questions concerning compliance requirements with such agreements should be referred to the General Counsel.

Employee Handbook as a Key Source of Policy Information

A company can be thought of as “a group of people assembled to conduct business for a specific purpose, to make money.” Although that may not be Webster's definition, it is the practical commercial definition around the world. Pall Corporation considers its employees to be the Company's most important resource.

At Pall, we provide equal employment opportunities to all qualified employees and applicants without regard to race, color, religion, sex, national origin, citizenship, veteran or military status, age, marital status, sexual orientation or preference, gender identity, disability and any basis protected by federal, state or local laws. Underscoring this policy is our strong concern for our employees' dignity and well-being and our commitment to provide a safe, productive and professional work environment. In addition, Pall complies with applicable state and local laws governing nondiscrimination in employment in every location in which Pall has facilities. This policy

as further set out in the Pall Corporation Non-Harassment Policy and Equal Employment Opportunity Policy and practice applies to all terms and conditions of employment, including but not limited to: hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

Pall has had a comprehensive Employee Handbook in place for many years that addresses these laws and your rights and responsibilities as an employee of the Company. Please refer to it for more specific information regarding our commitment to comply with all applicable federal, state and overseas employment-related laws.

Please be aware that an intentional violation of any Company policy communicated in the Employee Handbook or the Code of Ethical Behavior will be considered an act of gross misconduct, and could result in termination. If at any time you have questions regarding the policies described in the Employee Handbook, contact your local Human Resources Manager for guidance or an explanation.

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Pall Corporation Compliance & Ethics AlertLine

Dialing within United States and Canada 1.800.932.5378

Dialing elsewhere in the Americas:

1. Dial the access number for your country (listed below);
2. When you are prompted to enter a number, enter 800-932-5378
3. An AlertLine operator will assist you with your call.

Country access numbers:

Argentina	Telecom	0-800-555-4288
	Telefonica	0-800-222-1288
Brazil	Landline	0-800-890-0288
	Cell phone	0-800-888-8288
Mexico	English	01-800 288-2872
	Spanish	01-800-112-2020
Venezuela	English	0-800-225-5288
	Spanish	0-800-552-6288

Pall Corporation Ethics Committee Members

Chief Compliance Officer

Financial

Legal

Human Resources

Internal Audit

Product Assurance, Environmental Health and Safety

Regional Compliance AsiaPac

Regional Compliance EMEA

Jerry Hanifin

Lisa McDermott

Robert Kuhbach

Linda Villa

Thomas Dowling

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Natalie Coombs

Christina Munslow

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Security Director (Government Contracts)	Dr. Barry Gotlinsky	516.801.9260

To: Human Resource Manager/Local Compliance Officer

A copy of the Pall *Code of Ethical Behavior* was transmitted with this letter.

By signing my name below I am acknowledging my responsibility to read it and raise any questions I may have with my Local Compliance Officer, that I am aware of this policy, its implications, and the possible consequences of my failure to comply with it. I am aware that the *Code* is not an employment contract; acknowledge that I am an employee at will, and that the Company may change the *Code* at any time. I also understand that the Company will make a reasonable effort to communicate material changes to the *Code* to employees and that it is my responsibility to keep up with those changes.

I am aware of and accept my responsibility to report to the appropriate Pall official any suspected violation of the *Code*, a law, or a Company policy.

Further, I understand and accept that compliance with Pall's *Code of Ethical Behavior* is a condition of employment.

Signature

Date

Please Print Name



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