

## Policy Concerning Related Person Transactions

**1. Purpose.** Pall Corporation (the “**Company**”) is required to make certain disclosures concerning Related Person Transactions (as defined below) under regulations of the Securities and Exchange Commission. Information about Related Person Transactions is also relevant for purposes of complying with the continued listing and disclosure requirements of the New York Stock Exchange pertaining to director independence and for purposes of complying with financial reporting requirements. The Company and its consolidated subsidiaries shall comply fully with all such requirements. This Policy sets out the processes enabling such compliance. The Company and all of its consolidated subsidiaries may enter into Related Person Transactions only in accordance with the procedures set out below.

**2. Definitions.**

A “**Related Person Transaction**” is a transaction, arrangement or relationship (or a series of similar transactions, arrangements or relationships) involving the Company or a consolidated subsidiary (whether or not the Company or the subsidiary is a direct party thereto), on the one hand, and:

- A. a Director, nominee for Director, or Executive Officer (as such term is defined below) of the Company or a consolidated subsidiary, his or her immediate family members (as such term is defined below) or any entity, including not-for-profit and charitable organizations, that any of them controls or in which any of them has a substantial beneficial ownership interest; or
- B. any person (as defined below) who is the beneficial owner of more than 5% of the voting securities of the Company or a member of the immediate family of such person, if at the time of the transaction, arrangement or relationship, such person was known to the Company to be such a beneficial owner.

Related Person Transactions do not include any employee benefit plan, program, agreement or arrangement that has been approved by the Compensation Committee of the Board of Directors (the “**Board**”) or recommended by that Committee for approval by the Board.

A “**Related Person**” is any person described in paragraphs (A) and (B) of the “Related Person Transaction” definition above.

An “**Executive Officer**” means an employee of the Company who is determined by the Board to be an officer under Rule 16 a-l(f) of the Securities Exchange Act of 1934, as amended and in effect from time to time (and as such is subject to Section 16 of such Act).

“**Immediate Family Member**” includes a person’s spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law and brothers- and sisters-in-law, step-children and step-parents and any individual, other than tenants or employees, who shares that person’s home.

**“Person”** means an individual, a corporation, a partnership, an association, a limited liability or any other entity or organization of any kind.

**3. Scope.** This Policy applies to all Directors, officers and employees of the Company, wherever located.

**4. Policy.**

**A. Reporting, Review and Approval of Related Person Transactions.**

**i. Background.**

The Company’s Code of Ethical Behavior for USA/Western Hemisphere, Code of Conduct for Europe and Code of Conduct for Asia prohibit employees from having a direct or indirect financial or business interest in any entity that does business with the Company (or its subsidiaries), except in specified limited circumstances. These requirements also prohibit employees from having a financial or business interest in any transaction between the Company (or its subsidiaries) and a third party.

**ii. Duty to Report and Review Related Person Transactions.**

To facilitate compliance with these prohibitions:

- (a) employees, including Executive Officers, must report to the Company’s Corporate Compliance and Ethics 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;
- (b) Directors and Executive Officers must annually (in their director and officer questionnaires) confirm to the Company certain information about Related Person Transactions as part of the preparation of the Company’s Annual Report on Form 10-K and its annual proxy statement;
- (c) Director nominees and persons promoted to Executive Officer positions must also confirm (in their director and officer questionnaires) such information at the time of their nomination or appointment; and
- (d) Management must review its records on a regular basis (generally, quarterly) and make additional inquiries of management personnel and, as appropriate, third parties and other resources for purposes of identifying Related Person Transactions.

**iii. Approval of Related Person Transactions.**

At least annually, management shall provide the Audit Committee of the Board with such information pertaining to each Related Person Transaction as is required by Item 404 of Regulation S-K, including the name of the Related Person, the basis on which such person is a Related Person and a general description of the material terms and conditions

of the transaction (including dollar value of transaction and Related Person's interest in transaction). The Audit Committee shall evaluate each Related Person Transaction (or series of transactions) that involve an amount in excess of \$120,000.00 ("Material Transaction") for the purpose of recommending to the disinterested members of the Board that the transactions are fair, reasonable and within Company policy, and should be ratified and approved by the Board. Such evaluation shall include review of any material amendment or modification of a previously approved Material Transaction.

In conducting such evaluation, the Audit Committee shall consider the Related Person Transaction in light of all relevant factors and the controls implemented to protect the interests of the Company and its shareholders. Relevant factors shall include:

- (a) the benefits of the transaction to the Company;
- (b) the terms of the transaction and whether they are arm's-length and in the ordinary course of the Company's business;
- (c) the direct or indirect nature of the Related Person's interest in the transaction;
- (d) the size and expected term of the transaction; and
- (e) other facts and circumstances that bear on the materiality of the Related Person Transaction and any conditions to or requirements for approval under applicable law, Company's organizational documents and listing standards.

B. Pre-Approval of Certain Related Person Transactions.

The Board has reviewed the following types of potential Related Person Transactions and determined that each of them are pre-approved by the Board as not raising material concerns about Director independence or the potential for a conflict of interest or the appearance of a conflict of interest involving the Company's Directors or Executive Officers. The Audit Committee shall nonetheless receive information about such transactions at least annually for purposes of monitoring compliance with this Policy.

- i. Compensation paid to an Executive Officer of the Company that has been approved by the Compensation Committee of the Board;
- ii. Compensation paid to a Director that has been approved by the Board;
- iii. Company charitable contributions made in accordance with the Pall Corporation Policy on Charitable Contributions, as approved by the Board from time to time;
- iv. Any transaction where the Related Person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a *pro rata* basis (e.g., dividends); and
- v. Any of the following transactions, provided that it has otherwise been approved by the appropriate officers of the Company and/or by the Board:

- (a) Any transaction involving a Related Person where the rates or charges involved are determined by competitive bids;
- (b) Any transaction with involving a Related Person and the provision of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority; and
- (c) Any transaction with a Related Person involving services as a bank, transfer agent, registrar, trustee under a trust indenture, or similar services.

C. Transactions Not Approved.

Related Person Transactions entered into, but not approved or ratified as required by this Policy, shall be subject to termination by the Company (or the relevant subsidiary), if so directed by the Audit Committee or the Board, as applicable, taking into account such factors as such body deems appropriate and relevant.

D. Documentation of Related Person Transactions.

Each Related Person Transaction shall be documented in writing and preserved in accordance with the Company's record retention policies as from time to time in effect.

E. Disclosure of This Policy.

This Policy will be posted on the Company's website and also will be available in print to any shareholder requesting it.

**5. Revision History.**

Date:	Version #	Revised by:
4/1/09	1.0	Board of Directors