

## Insider Trading Policy

**1. Purpose.** One of the principal purposes of the federal securities laws is to prohibit “insider trading,” which occurs when a person uses material non-public information to make decisions to purchase or sell the securities of a public company like Pall Corporation (“Pall” or the “Company”). In order to promote compliance with securities laws, this Insider Trading Policy (“Policy”) provides the standards for Directors, officers and employees of the Company on transactions involving Pall’s stock (and the stock of other public companies).

**2. Definitions.**

“*10b5-1 Plan*” means a written trading plan implemented in good faith under Rule 10b5-1 of the Securities Exchange Act of 1934 (the “Exchange Act”) that allows an individual to place a standing order with a broker to purchase or sell Company Securities so long as certain conditions are met.

“*Blackout Period*” means each period that starts at 12:01 a.m. on the 15<sup>th</sup> day of the final month in each fiscal quarter of the Company and ends at 4:00 p.m. on the first full trading day following the release to the public of the Company’s earnings. In addition, the Company may extend the blackout period or provide for special blackout periods. In such cases, the Company will notify Directors, Restricted Officers and other affected employees.

“*Executive Officer*” means those employees of the Company who are “executive officers” under Rule 3b-7 under the Exchange Act.

“*Immediate Family Members*” means spouses, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, stepchildren and stepparents and anyone (other than a tenant or employee) who shares or has shared such person’s home during the prior year.

“*Restricted Officers*” means the Company’s Executive Officers, the members of the executive management team, the corporate controller, the assistant corporate controller, the director of corporate reporting, the group financial officers of each line of business, the group financial officers in each region, the direct reports of the Chief Financial Officer and General Counsel, and each of their Immediate Family Members. The Company may instruct other personnel that for certain periods they must refrain from trading in Company securities or do so only in accordance with the procedures and restrictions set forth in Part II of this Policy, and for such periods such persons are also deemed Restricted Officers.

“*Open Trading Period*” means, with respect to each individual subject to this Policy, a period during which (i) a Blackout Period is not in effect, and (ii) such individual does not possess material non-public information about the Company.

**3. Scope.** This Policy is divided into two parts. The first part prohibits trading in certain circumstances and applies to all Directors, officers and employees of the Company, wherever located. The second part imposes additional trading restrictions and applies to all Directors and Restricted Officers of the Company.

**PART I**  
**(Applicable to all Directors, Officers and Employees of the Company)**

**1. Statement of Policy.** Unless expressly permitted pursuant to the terms of this policy, no Director, officer or employee of the Company, and no Immediate Family Member of such person, may purchase or sell any Company securities (or the securities of another company) while in possession of material non-public information about the Company (or such other company). In addition, Directors, officers and employees of the Company are prohibited from making recommendations or expressing opinions about trading in the securities of the Company or any other company on the basis of material non-public information or disclosing any material non-public information about the Company or any other company to any third party, including Immediate Family Members.

**1.1 What is material information?** Information is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or the information would likely affect the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of a company’s business. There is no “bright-line” test to determine if information is material. If you are unsure whether or not information is material, you should consult the General Counsel.

Information that could be considered material includes, but is not limited to:

- Significant changes in the Company’s prospects;
- Significant write-downs in assets or increases in reserves;
- News of pending or proposed mergers, acquisitions, consolidations, divestitures, recapitalizations, strategic alliances or purchases or sales of substantial assets;
- Financial results and earnings information;
- The development or acquisition of a significant new product;
- Developments regarding significant litigation or government agency investigations;
- Major changes in management or Directors;
- Changes in dividend policy, declaration of stock split or an offering of additional securities;
- Company share repurchase plans;
- Extraordinary borrowings;
- Gain or loss of a significant customer or supplier;
- Changes in research recommendations regarding the Company or Company debt ratings; and
- Changes in auditors or auditor notification that the Company may no longer rely on an audit report.

**1.2 What is non-public information?** Information is considered to be non-public unless it has been disclosed to the public, and sufficient time has passed for the securities markets to digest the information. As a general rule, information is considered non-public until at least one full trading day has elapsed since dissemination of such information to the public. If you are aware of material non-public information when you terminate services as a Director, officer or other employee of the Company, you may not trade in Pall’s securities until that information has become public or is no longer material.

**2. Limited Exceptions to Policy.** The following are certain limited exceptions to the restrictions imposed by the Company under this Policy. However, even if a transaction is subject to an exception, each person subject to this Policy must separately assess whether the transaction complies with applicable law. For example, even if a transaction is exempt from this Policy, it still may be subject to the reporting and short-swing profit disgorgement obligations imposed by Section 16 of the Exchange Act.

**2.1 Pall Corporation 401(k) Plan.** The Company currently does not allow the purchase of Pall stock through the Company’s 401(k) Plan. However, this Policy *does apply* to the election to increase or decrease the amount of

your regular payroll deduction in order to transfer funds into or out of any pre-existing Pall stock fund in your 401(k) account.

**2.2 *Pall Corporation Employee Stock Purchase Plan.*** This Policy does not apply to the periodic purchases of Pall stock through automatic payroll deductions under the Pall Corporation Employee Stock Purchase Plan (the “ESPP”). However, this Policy *does apply* to voluntary transactions under the ESPP, including (i) the election to increase, including the election to commence participation in the ESPP, or decrease the amount of your automatic payroll deductions, (ii) the election to suspend your payroll deduction, and (iii) the sale of Pall stock acquired under the ESPP.

**2.3 *Exercise of Company Stock Options.*** This Policy does not apply to the exercise of Company stock options on the terms of the option agreement or the option plan, as applicable, by individuals who exercise pursuant to any means that do not involve the sale of shares of Company common stock into the public markets. However, this Policy *does apply* to the sale of shares acquired upon the exercise of any option, as well as the sale of shares as part of a broker-assisted cashless exercise of any option or any market sale for the purpose of covering the costs of the exercise price of any option.

**2.4 *Management Stock Purchase Plan.*** This Policy does not (i) apply to the vesting of the Restricted Stock Units under the Management Stock Purchase Plan (the “MSPP”) or (ii) prevent employees who are participants in the MSPP from making an election in the ordinary course to have bonus or salary amounts paid in the form of Restricted Stock Units under that Plan. However, this Policy *does apply* to voluntary transactions under the MSPP, including (a) the election to commence participation in the MSPP and (b) the sale of Pall stock acquired upon vesting of Restricted Stock Units obtained pursuant to the MSPP.

### **3. Special and Prohibited Transactions.**

**3.1 *Generally.*** Investing in the Company and sharing in the growth of the Company does not mean engaging in short-term speculation based on fluctuations in the market. Such activities may put the personal gain of the Director, officer or employee in conflict with the best interests of the Company and its shareholders. In addition, if securities transactions ever become the subject of scrutiny, they are likely to be viewed after the fact with the benefit of hindsight. As a result, before engaging in any transaction, each person subject to this Policy must carefully consider how the transaction may appear to others or be construed by others.

**3.2 *Prohibited Transactions.*** No Director, officer or employee of the Company and no Immediate Family Member of such person, may:

- enter into hedging transactions or similar arrangements with respect to Company securities;
- trade in puts and calls, options, warrants or other derivative instruments in Company securities, sell Company securities short or sell Company securities of the same class for at least 6 months after the purchase; or
- hold Company securities in margin accounts or otherwise pledge Company securities as collateral for a loan.

### **4. Policy Compliance.**

**4.1 *Mandatory Compliance.*** Compliance with this Policy is mandatory. Penalties for communicating material non-public information can be severe, both for individuals involved in such unlawful conduct and for their employers and supervisors. Persons who violate this Policy are subject to internal disciplinary action, up to and

including termination of employment, and they and their Immediate Family Members may be subject to civil and criminal penalties, including imprisonment and substantial fines and penalties.

**4.2 Monitoring Compliance.** The General Counsel will monitor compliance with this Policy and periodically review this Policy with the Nominating/Governance Committee of the Board of Directors.

**4.3 Reporting Policy Violations.** Pall is committed to enforcing this Policy. If you feel that you or someone else may have violated this Policy, you should report the incident immediately to your supervisor. If you are not comfortable bringing the matter up with your immediate supervisor, or do not believe the supervisor has dealt with the matter properly, you should raise the matter in any of the following ways: (a) to the General Counsel, Chief Compliance Officer or other member of the Legal and Compliance Department; (b) to the manager at the next level above your direct supervisor; or (c) to the ethics and compliance hotline. No one will be subject to, and Pall prohibits, any form of discipline, reprisal, intimidation or retaliation for good faith reporting of incidents of inappropriate conduct of any kind or cooperating in related investigations.

## PART II

### (Applicable to Directors and Restricted Officers only)

**1. Introduction.** In addition to the prohibitions set forth in Part I above, Directors and Restricted Officers may trade in Company securities only (i) during an Open Trading Period, (ii) upon receiving the necessary pre-clearance from the General Counsel, as described below or (iii) through a qualified 10b5-1 Plan. All Directors and Restricted Officers must sign the attached Acknowledgement Form and return it to the General Counsel.

### **2. Blackout Periods.**

**2.1 Generally.** To help avoid inadvertent violations of the securities laws and even the appearance of insider trading, the Directors and Restricted Officers of the Company may not conduct any transactions involving Pall's securities during a Blackout Period or at any time while in possession of material non-public information about the Company, unless such transaction (i) occurs pursuant to a 10b5-1 Plan that complies with and has been approved in accordance with this Policy or (ii) is subject to one of the exceptions described in Section 2 of Part I of this Policy (an "Excepted Transaction").

**2.2 Pension Fund Blackout Periods.** The Sarbanes-Oxley Act requires the Company to prohibit all purchases, sales or transfers of Company securities by Directors and Executive Officers during a pension fund blackout period. A pension fund blackout period exists whenever 50% or more of the participants in the Company's 401(k) Plan are unable to conduct transactions in their accounts for more than three consecutive days. These blackout periods typically occur when there is a change in the retirement plan's trustee, record keeper or investment manager. Directors and Executive Officers will be notified when these or other restricted trading periods are instituted.

**3. Pre-Clearance of Trades.** Directors and Restricted Officers must obtain written pre-clearance from the General Counsel, the Chief Financial Officer or their designees (using the form attached as Annex A) before transacting in Company securities, including any exercise of Director or employee stock options. Written pre-clearance is not required for trades made pursuant to a 10b5-1 Plan or an Excepted Transaction (except for the exercise of Company stock options as described in Section 2.3 of Part 1 of this Policy). Pre-clearance of a transaction does not constitute a recommendation by the Company or any of its employees or agents that such requesting person should engage in the subject transaction. A request for pre-clearance should be submitted at least two days in advance of the proposed transaction. The General Counsel and the Chief Financial Officer are under no

obligation to approve any trade and may refuse to do so in their discretion. Pre-clearance of any transaction is valid only for a 48-hour period. If the transaction order is not placed within that period, pre-clearance must be requested and approved in writing again. Requesting persons must treat denials of pre-clearance requests as confidential.

**4. Post-Trade Notification.** All Directors and Restricted Officers must submit to the General Counsel a copy of any trade order or confirmation relating to the purchase or sale of Company securities within one business day of any such transaction, even if the trade was made pursuant to a 10b5-1 Plan. This information is necessary to enable Pall to monitor trading by Directors and Restricted Officers and ensure that all such trades are properly reported, as appropriate.

**5. Transactions under 10b5-1 Plans.** A 10b5-1 Plan allows an individual the flexibility to purchase or sell Pall stock at a time when a Blackout Period is in effect or such individual is aware of material, non-public information about Pall. Such a Plan specifies the dates, prices and amounts of the planned trades or establishes a formula for those purposes. Pall permits its Directors and Restricted Officers and other individuals approved by the General Counsel (“Insiders”) to enter into a 10b5-1 Plan, subject to the following additional restrictions. Insiders should consult with their legal, financial and tax advisors before entering into a 10b5-1 Plan. For purposes of this Policy, any approval relating to a plan or transaction that the General Counsel wishes to enter into must be provided by the Chief Financial Officer.

**5.1 Establishment of a 10b5-1 Plan.** A 10b5-1 Plan can only be established during an Open Trading Period, and must be approved by the General Counsel or designee. All 10b5-1 Plans must be placed through Fidelity Brokerage Services LLC (“Fidelity”) (tel: 800-544-6161) and any shares outside of Fidelity must be transferred to a Fidelity account prior to entering into a 10b5-1 Plan. The first transaction following establishment of a 10b5-1 Plan may not occur until 30 days after execution.

**5.2 Characteristics of a 10b5-1 Plan.** The Plan may not include provisions for the sale of stock that would not otherwise be permissible under the Company’s policies relating to stock ownership requirements. Once a 10b5-1 Plan is established, Insiders are not permitted to exercise any subsequent influence over how, when or if transactions occur. Insiders may not have more than one 10b5-1 Plan for the trading of Company stock in place at any time. All Plans must have a minimum duration of at least 9 months.

**5.3 Amendments and Modifications to a 10b5-1 Plan.** Modifications to or deviations from 10b5-1 Plans are disfavored. If a modification becomes necessary, it must be made in good faith during an Open Trading Period and it must be approved in writing by the General Counsel and Fidelity.

**5.4 Terminations.** Automatic termination of a 10b5-1 Plan is encouraged. Once a 10b5-1 Plan is terminated, an Insider may not enter into another 10b5-1 Plan until six months after the termination of the prior plan.

Any questions regarding this Policy should be referred to the General Counsel, who is in charge of administering, enforcing and updating this Policy.

## 6. Revision History.

Date:	Version #	Revised by:
9/24/13	1	Amended, restated and approved by Board of Directors.

**Acknowledgement**

The undersigned, a Director or selected officer of Pall Corporation (the "Company"), hereby acknowledges that he/she has read and understands, and agrees to comply with the Company's Insider Trading Policy (Amended and Restated as of September 24, 2013).

\_\_\_\_\_

Name Printed: \_\_\_\_\_

Date: \_\_\_\_\_

**Form of Trading Clearance Application**

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Proposed Trade Date: \_\_\_\_\_  
Type of Security to be Traded: \_\_\_\_\_  
Type of Trade (Purchase / Sale / Entry into/Termination of 10b5-1 Plan (if Plan, please attach)): \_\_\_\_\_  
Number of Shares to be Traded (if applicable): \_\_\_\_\_  
Exercise price of option(s) (if applicable) (please separate by date issued if different exercise prices): \_\_\_\_\_  
Broker (Fidelity/Other): \_\_\_\_\_

**Certification**

I hereby certify that I am not in possession of any material non-public information about the Company and/or its subsidiaries. I understand that material non-public information is information concerning the Company that (a) is not generally known to the public; and (b) if publicly known, would be likely to affect either the market price of Company securities or a person’s decision to buy, sell or hold Company securities. I understand that if I trade while in possession of material non-public information, I may be subject to severe civil or criminal penalties, and may be subject to discipline by the Company up to and including termination for cause.

\_\_\_\_\_  
Name:  
Date:

**Review and Decision**

The undersigned has reviewed the foregoing application and approves / prohibits (circle one) the proposed trade(s).

\_\_\_\_\_  
Name:  
Title: General Counsel  
Date: