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PALL CORP
Form DEF 14A
October 30, 2013

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement [] Soliciting Material Under Rule 14a-12
- [] Confidential, For Use of the
Commission Only (as permitted
by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials

PALL CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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-

October 30, 2013

To Our Shareholders:

During the past year, Pall took a major leap forward in the multi-year journey to transform our structure and operating model. Focusing on our people, processes and technology, we both solidified and fortified our foundation. Structural cost actions helped reduce cost-to-serve. On the strength of our consumables business model and global footprint, we were able to deliver solid results and shareholder return even in a challenging global economy.

From an operational standpoint, we have significantly improved our performance and have seen dramatic results in on-time delivery. We also created several new Centers of Excellence focused on research and development and formed dedicated business hubs to make it even easier for customers to do business with us. To better position the Company for sustained success, we continue to invest in innovation and our world-class product development engine.

You can read more about our year-end results in the accompanying Summary Annual Report and Form 10-K.

The 2013 Annual Meeting of Shareholders will be held on December 11, 2013 at 1:00 p.m. at The Benjamin Hotel, 125 E. 50th Street, New York, New York.

Details regarding admission to the meeting and information concerning the matters to be acted upon at the meeting are on page 2. In addition, our meeting will include an opportunity for questions of general interest to shareholders.

Whether or not you plan to attend the meeting, it is important that your shares be represented at the meeting in accordance with your wishes. Please either vote your shares through the internet, by telephone or by completing, signing and returning your proxy in the provided envelope as soon as possible.

The Board of Directors, management and our employees thank you for your continued support and interest in Pall Corporation.

Very truly yours,

Lawrence D. Kingsley
Chairman and Chief Executive Officer

Pall Corporation

25 Harbor Park Drive
Port Washington, New York 11050

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Time and Date: 1:00 p.m., Eastern Standard Time, on Wednesday, December 11, 2013.

Place: The Benjamin Hotel
125 E. 50th Street
New York, New York 10022

- Purpose:**
- (1) To elect 11 directors named in this proxy statement for a term expiring at the 2014 Annual Meeting of Shareholders;
 - (2) To ratify the appointment of KPMG LLP (KPMG) as Pall s independent registered public accounting firm for fiscal year 2014;
 - (3) To approve, on an advisory basis, the compensation of Pall s named executive officers (NEOs); and
 - (4) To transact any other business properly brought before the meeting.

Record Date: You can vote if you were a shareholder of record at the close of business on October 14, 2013.

Voting by Proxy: Your vote is very important. Please vote your proxy promptly so your shares can be represented at the meeting. You can vote your shares by internet, by telephone or by completing and returning your proxy card or voting instruction form. Please see *Proxy Statement Questions and Answers About the Annual Meeting and Voting* for details.

Admission: An admission ticket or proof of ownership of Pall stock, as well as a valid government-issued form of photo identification, must be presented in order to be admitted to the annual meeting. Please see *Proxy Statement Questions and Answers about the Annual Meeting and Voting*.

Roya Behnia
*Senior Vice President, General Counsel
and Corporate Secretary
October 30, 2013*

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 11, 2013**
Copies of the proxy statement for the 2013 Annual Meeting and the 2013 Summary Annual Report and the Form 10-K for the fiscal year ended July 31, 2013, are also available on the Company s website at www.pall.com/annualreport

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Pall Corporation
25 Harbor Park Drive
Port Washington, New York 11050

PROXY STATEMENT

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Why did I receive these proxy materials?

We are providing these proxy materials in connection with the solicitation by the Board of Directors of Pall Corporation, a New York corporation, of proxies to be voted at Pall's 2013 Annual Meeting of Shareholders and at any adjournment or postponement of the meeting. The meeting will be held on Wednesday, December 11, 2013 at 1:00 p.m., Eastern Standard Time, at The Benjamin Hotel, 125 E. 50th Street, New York, New York 10022.

The proxy materials will be available on the internet or mailed to shareholders starting on October 30, 2013.

Do I need a ticket to attend the annual meeting?

Yes, to enter the annual meeting you will need an admission ticket or proof of ownership of Pall stock, as well as valid government-issued photo identification. If your shares are registered in your name and you received a Notice of Internet Availability of Proxy Materials (the Notice), it will serve as proof of share ownership allowing you admission into the meeting. For those shareholders of record who received a printed copy of the proxy materials by mail, your admission ticket is attached to your proxy card. If you plan to attend the meeting, please vote your proxy but keep the admission ticket and bring it with you to the meeting. If your shares are registered in your name and you received proxy materials electronically via the internet, you will need to print an admission ticket after you vote by following the instructions on your screen.

If your shares are held beneficially in the name of a bank, broker or other nominee, you must present proof of your ownership of Pall common stock, such as your most recent bank or brokerage account statement, to be admitted to the meeting.

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the meeting.

Who is entitled to vote at the annual meeting?

Holders of Pall's common stock at the close of business on October 14, 2013 are entitled to receive the Notice of Annual Meeting and to vote their shares at the meeting. As of that date, there were 110,770,289 shares of the Company's common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

What is the difference between holding shares as a shareholder of record and as a beneficial owner?

If your shares are registered in your name with Pall's transfer agent, Computershare Trust Company, N.A., you are considered the shareholder of record with respect to those shares. The Notice or the printed proxy materials have been provided directly to you by Pall.

If your shares are held in a stock brokerage account or by a bank, broker or other nominee, you are considered the beneficial owner with respect to those shares because such shares are not held directly in your name. As the beneficial owner, you have the right to direct your bank, broker or other nominee on how to vote your shares by using the voting instruction form or by following their instructions for voting by telephone or on the internet.

How do I vote?

Shareholders of record may vote using any of the following methods:

- **By telephone or on the internet**

Telephone and internet voting instructions are provided in the Notice, or if you requested or received printed proxy materials, on the proxy card.

- **By mail**

If you received printed proxy materials, you may vote by completing, signing and dating the proxy card and returning it in the postage-paid return envelope.

The shares represented by your properly completed proxy card will be voted in accordance with your instructions. If you properly sign, date and deliver your proxy card but mark no instructions on it, the shares represented by your proxy will be voted by the persons named in the proxy card as recommended by the Board of Directors.

- **In person at the annual meeting**

Shareholders who attend the annual meeting may vote in person at the meeting. You may also be represented by another person at the meeting by executing a proper proxy designating that person.

If your shares are registered in the name of a bank, broker or other nominee, follow the voting instructions on the form you receive from the nominee. The availability of telephone and internet voting will depend on the nominee's voting processes. Beneficial owners may also vote in person at the meeting. To vote in person, you must obtain a legal proxy from your bank, broker or other nominee and present it to the inspectors of election with your ballot.

Can I change my vote?

Yes. Shareholders have the right to change or revoke their proxies at any time before a vote is taken at the meeting by:

- notifying the Corporate Secretary of the Company in writing at the Company's corporate headquarters (25 Harbor Park Drive, Port Washington, New York 11050);
- voting by telephone or on the internet on a later date or by executing a new proxy card bearing a later date; or
- attending the meeting and voting in person.

If you are a beneficial owner, you may submit new voting instructions by contacting your bank, broker or other nominee.

Why did I receive a notice in the mail regarding the internet availability of proxy materials this year instead of a full set of printed proxy materials?

This year we have elected to provide certain shareholders access to our proxy materials over the internet as an alternative to the traditional delivery of printed proxy materials. This notice and access delivery method conserves natural resources and reduces our costs of printing and distributing the proxy materials, while providing you with a convenient method of accessing the materials and voting. The Notice will instruct you as to how you may access and review all of the proxy materials on the internet, as well as how you may submit your proxy on the internet. If you received a Notice and would like to receive a printed copy of the proxy materials, please follow the instructions printed on the Notice to request that a printed copy be mailed to you.

Shareholders who did not receive a Notice should have received a printed copy of the proxy materials, unless you have previously elected to receive proxy materials by email.

What is householding and how does it affect me?

Under this practice, Pall will deliver only one copy of the Notice, and for those shareholders that received a printed copy of the proxy materials, one copy of our 2013 Annual Report and this Notice of Annual Meeting and Proxy Statement, to multiple shareholders sharing an address, unless the Company has received contrary instructions from one or more of the shareholders. Householding reduces duplicate mailings, saves paper and reduces printing costs. If any shareholder of record residing at a shared address wishes to receive an individual Notice or printed proxy materials or if you are receiving multiple copies of Pall's Notice or printed proxy materials and would like to enroll in this service, please contact Computershare by calling 1-800-456-1169, or inform them in writing at Computershare Investor Services, P.O. Box 43078, Providence, Rhode Island 02940-3078. We undertake to deliver promptly upon written or oral request a separate Notice or printed copy of the proxy materials to a shareholder at a shared address to which a single Notice or printed copy of the materials was delivered.

If you are a beneficial owner, you can request information about householding from your broker, bank or other holder of record.

How can I access the proxy materials on the internet?

The Notice, proxy card and voting instruction form will contain instructions on how to view Pall's proxy materials for the meeting on the internet. Our proxy materials are also available on Pall's website at www.pall.com/annualreport.

Shareholders can help us reduce printing and mailing costs by opting to receive future proxy materials electronically by visiting the Computershare website. Shareholders of record may enroll in the electronic proxy delivery service at any time at www.computershare-na.com/green. Beneficial owners should contact their broker, bank or nominee regarding the availability of this service.

What is a broker non-vote?

Under New York Stock Exchange (NYSE) rules, brokerage firms may vote in their discretion on certain matters on behalf of beneficial owners who have not furnished voting instructions. These are called discretionary items. In contrast, brokerage firms may not vote on certain other matters for which they have not received voting instructions from the beneficial owner. These are called non-discretionary items, and a lack of voting instructions for non-discretionary items results in broker non-votes.

What is a quorum for the annual meeting?

A quorum is required in order to hold a valid meeting. The holders of a majority of the shares issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy received via mail, telephone or the internet, will constitute a quorum at the meeting.

Abstentions and broker non-votes are counted as present for purposes of determining a quorum.

What are the voting requirements to elect the directors and to approve each of the proposals discussed in this Proxy Statement?

Proposal	Vote Required	Broker Discretionary Voting Allowed	Effect of Abstentions
Election of directors	Majority of votes cast	No	No effect
Ratification of KPMG	Majority of shares present and entitled to vote	Yes	Count as a vote against proposal
Approval, on an advisory basis, of the compensation of the named executive officers	Majority of shares present and entitled to vote	No	Count as a vote against proposal

Pursuant to Pall's by-laws, in any uncontested election of directors, a nominee will be elected by the affirmative vote of the majority of votes cast with respect to such nominee by shareholders represented and entitled to vote at the meeting. A majority of votes cast means that the number of votes cast for a nominee must exceed the number of votes cast against such nominee.

How will my shares be voted at the annual meeting?

At the meeting, the persons indicated on your proxy card or voting instruction form will vote your shares as you instruct. If you sign your proxy card and return it without indicating how you would like your shares voted, your shares will be voted as the Board of Directors recommends, which is:

- **FOR** the election of each of the director nominees named in this proxy statement,
- **FOR** the ratification of the appointment of KPMG as Pall's independent registered public accounting firm for the 2014 fiscal year, and
- **FOR** the approval, on an advisory basis, of the compensation of Pall's named executive officers.

Could other matters be decided at the annual meeting?

The Board of Directors is not aware of any other matters to be presented for action at the meeting, but if other matters are properly brought before the meeting, shares represented by properly completed proxies will be voted in accordance with the judgment of the persons named as proxies.

Who will count the votes?

Representatives of Pall's transfer agent, Computershare Trust Company, N.A., will tabulate the votes and act as inspectors of election.

How can I find the voting results?

We will disclose the final results of the voting in a Current Report on Form 8-K filed with the Securities and Exchange Commission (SEC) within four business days of the annual meeting.

Who will pay for the cost of this proxy solicitation?

Pall will pay the cost of soliciting proxies on behalf of the Board of Directors. The solicitation is to be made primarily by mail but may be supplemented by telephone calls and personal solicitation by the firm of Morrow & Co., LLC (Morrow), which has been retained for this purpose by the Company. Morrow will be paid a fee for its services not to exceed \$8,000, plus reasonable out-of-pocket expenses estimated at \$4,000.

GOVERNANCE OF THE COMPANY

Corporate Governance Policy

The Board has adopted a policy that provides the framework for the governance of the Company and contains general principles regarding the function of the Board and the Board committees. The Board reviews the policy and other aspects of Pall's governance on an annual basis. The corporate governance policy is available on the Company's website www.pall.com, by clicking on Investor Relations and then Corporate Governance.

Board Leadership Structure

The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure in order to provide independent oversight of management and a highly engaged and functioning board. Pall's corporate governance policy grants the Board the flexibility to select the appropriate leadership structure of the Company. In determining such structure, the Board considers many factors in how to fulfill its duties, including the specific needs of the business and the best interests of Pall's shareholders at any given time.

Lawrence Kingsley has served as our Chief Executive Officer since October 2011. During this period, independent director Ronald Hoffman has served as Chairman of the Board. In October 2013, the Board elected Mr. Kingsley as Chairman. In making this change the Board noted that prior to March 2011, the positions of Chairman and Chief Executive Officer at the Company had been held by a single individual. The Board further noted that Mr. Kingsley had now served as Chief Executive Officer for two years, had a thorough knowledge and understanding of the Company and had demonstrated superb leadership during his two years as Chief Executive Officer. At this time, the Board determined that combining the offices allows the Company to present its strategy to shareholders, employees and customers through a single voice and provides for even more focus on and accountability for the Company's performance.

At the same time that it elected Mr. Kingsley as Chairman, the independent directors of the Board elected Mr. Hoffman as Lead Director. In his role as Lead Director, Mr. Hoffman's duties will include calling and presiding at all meetings of the non-management directors, presiding at all meetings of the Board at which the Chairman is not present, and collaborating with the Chairman with regard to all information sent to the Board, as well as all Board meeting agendas and schedules. The Board believes that the creation of a strong Lead Director role will help to maintain effective Board oversight over management, notwithstanding that the offices of Chairman and Chief Executive Officer are now held by the same individual. This oversight is further enhanced by the requirement that the non-management directors meet regularly in executive sessions and the full independence of each of the Board's key committees.

Meetings of the Board of Directors

Directors are expected to participate in all meetings of the Board and each committee on which they serve. In fiscal year 2013, the Board held five meetings. No incumbent director attended less than 90% of the total number of meetings of the Board and relevant committees on which such director served while the director was a member of the Board and such committees. The Company's corporate governance policy requires all directors to attend Pall's annual meetings of shareholders and all of Pall's directors then in office attended the December 2012 Annual Meeting of Shareholders.

Pall's non-management directors meet at regularly scheduled executive sessions at meetings of the Board and each committee without any employee directors or members of management present. During fiscal year 2013, the non-management directors met in executive session five times at meetings of the Board. As all of Pall's non-management directors are also independent, separate independent director meetings were not held in fiscal year 2013. Mr. Hoffman, who served as Chairman of the Board during fiscal year 2013, served as the Chair for all of the non-management director meetings held in fiscal year 2013.

Each non-employee director has full access to the Company's management.

Communication with the Board

Shareholders or other interested parties who wish to communicate with the Board as a group, the non-management directors as a group, or any individual director, including the Chairman of the Board or the Lead Director, may mail correspondence to the Corporate Secretary at Pall Corporation, 25 Harbor Park Drive, Port Washington, New York 11050. The Corporate Secretary will forward all communications unless the Corporate Secretary determines that a communication is a business solicitation, an advertisement or requests general information about Pall. This centralized process assists the Board in reviewing and responding to shareholder communications in an appropriate manner. The name of any specific intended Board recipient should be noted in the communication.

Director Independence

Pall's corporate governance policy provides for director independence standards consistent with those of the NYSE. These standards require the Board to affirmatively determine that each independent director has no material relationship with the Company other than as a director or shareholder. The Board has adopted director independence standards for its evaluation of the materiality of director relationships with the Company. The Board considers relationships involving directors and their immediate family members that may implicate any of these standards or the listing standards of the NYSE and relies on information derived from Company records, questionnaires completed by the directors and inquiries of other relevant parties.

The relationships reviewed by the Board as part of its independence determinations consisted principally of donations Pall made to not-for-profit organizations, including educational and health organizations (such as hospitals and laboratories) with which Board members were affiliated by service as employees, directors or trustees (Mr. Travaglianti). The Board also reviewed commercial relationships between the Company and directors or their immediate family members and organizations with which directors or their immediate family members were affiliated by service as outside directors (Ms. Gris  and Ms. Plourde), executive officers (Dr. Alving and Mr. Owens), or trustees (Mr. Travaglianti). The relationships with these organizations involved the Company's sale or purchase of products or services in the ordinary course of business that were made on arm's-length terms in amounts and under other circumstances that did not affect the relevant directors' independence under Pall's director independence standards or under applicable law and listing standards.

The Board has determined that the following current directors have no material relationship with the Company, and therefore, are independent: Amy E. Alving, Robert B. Coutts, Mark E. Goldstein, Cheryl W. Gris , Ronald L. Hoffman, Dennis N. Longstreet, B. Craig Owens, Katharine L. Plourde, Edward Travaglianti and Bret W. Wise.

All members of the audit committee, the compensation committee and the nominating/governance committee are independent directors under the NYSE listing standards and Pall's director independence standards. Pall's director independence standards are available in the corporate governance policy on the Company's website www.pall.com, by clicking on Investor Relations and then Corporate Governance.

Codes of Conduct

The Company has adopted codes of conduct that apply to every employee and to the directors. These codes are designed to ensure that Pall's business is conducted in a consistently legal and ethical manner. The codes consist of employee codes of conduct, a financial code of ethics and a directors' code of business conduct and ethics. The Company will disclose any amendments to, or waivers from, the codes applicable to Pall's executive officers and directors on its website at www.pall.com/policies in accordance with applicable law and NYSE rules.

Board Oversight of Risk

The Board's role in risk oversight is consistent with Pall's leadership structure, with management having the day-to-day responsibility for assessing and managing risk and the Board and its committees providing oversight with particular focus on the most significant risks facing the Company. The Board fulfills its responsibilities through periodic reviews of the Company's strategies and business plans, its oversight of the Company's Enterprise Risk Management Program (the ERM Program) and review of specific risks as needed. The ERM Program enables Pall to develop and implement a systematic process of identifying and managing risks it faces. The ERM Program is intended as a tool to minimize exposure to loss and ensure that risk is within acceptable limits. A steering committee, chaired by the Chief Executive Officer and comprised of the executive management team and the Vice President of Global Internal Audit and SOX Compliance, oversees the program.

The Board also has delegated to each of its committees responsibility for the oversight of specific risks that fall within the committee's area of responsibility. For example, the audit committee oversees Pall's risk policies and processes related to the Company's financial statements, the financial reporting process, accounting, internal controls, information technology as it relates to financial reporting, business continuity risk and legal and compliance matters. The compensation committee reviews and discusses with management the risks associated with Pall's compensation structure and benefit plan administration to ensure that such structure and administration is aligned with Pall's risk profile.

Identifying and Evaluating Nominees for Directors

The nominating/governance committee is responsible for recruiting and recommending director candidates to the Board. The committee considers candidates suggested by other directors, executive management and shareholders and may, at the Company's expense, retain the assistance of search firms and other advisors.

In its assessment of each potential candidate, the nominating/governance committee will review (a) such person's judgment, experience, independence and understanding of the Company's business, (b) the range of talent and experience already represented on the Board, and (c) such other factors that the nominating/governance committee determines are pertinent in light of the current needs of the Company. The committee will also take into account the ability of such person to devote the time and effort necessary to fulfill his or her responsibility as a director of Pall. Candidates with appropriate qualifications are interviewed, typically by the Chief Executive Officer, the Chairman of the Board (or where the Chief Executive Officer is also the Chairman of the Board, the Lead Director), the members of the nominating/governance committee and other available directors.

Although Pall does not have a formal diversity policy applicable to the Board, in accordance with the criteria for director selection (set out in Appendix B of the corporate governance policy), diversity of race, ethnicity, gender, professional experience, education and skill among the directors are factors in identifying and evaluating nominees for Board membership.

Shareholders who wish to recommend a director nominee should follow the procedures described in Appendix A of the corporate governance policy. Both documents are available on the Company's website www.pall.com, by clicking on Investor Relations and then Corporate Governance.

Board and Committee Information

The Board has an audit committee, a compensation committee, an executive committee, and a nominating/governance committee. The Board has adopted a written charter for each of these committees available on the Company's website www.pall.com, by clicking on Investor Relations and then Corporate Governance.

Each committee conducts an annual assessment to review the sufficiency of resources and time to fulfill its obligations and to review the performance of its obligations. Under Pall's corporate governance policy, each committee may retain consultants to assist in carrying out its responsibilities.

THE AUDIT COMMITTEE

The audit committee assists the Board in fulfilling its oversight responsibility relating to the integrity of the Company's financial statements and the financial reporting process, the systems of internal controls over financial reporting, the adequacy of information technology and systems as they relate to financial reporting, the performance of the internal audit function and the annual independent audit of the financial statements. The committee also oversees the Company's compliance and ethics program. In addition, the audit committee is directly responsible for the selection, retention, termination and oversight of the Company's independent registered public accounting firm.

Each member of the audit committee meets the independence requirements of the NYSE, the SEC and the Company's corporate governance policy. The Board has determined that each member of the audit committee is an audit committee financial expert as defined by the rules of the SEC.

THE COMPENSATION COMMITTEE

The compensation committee determines and oversees the execution of the Company's executive compensation program. The committee has the responsibility to review and approve the goals and objectives of executive officers as well as the elements of their compensation. The compensation committee evaluates and approves compensation plans, policies and programs for executive officers in which they participate, including any employment contracts, bonus plans and equity plans.

In addition, the compensation committee has sole authority to retain and terminate executive compensation consultants. The compensation committee has engaged Towers Watson, on an annual basis, as its independent compensation consultant. Please see *Compensation Discussion and Analysis* *Role of Compensation Consultant* for more information.

The compensation committee also has the responsibility to review and make recommendations to the Board with respect to the compensation of the Board and its committees.

Each member of the compensation committee meets the independence requirements of the NYSE, the SEC and the Company's corporate governance policy.

THE EXECUTIVE COMMITTEE

The executive committee has the authority to act on most Board matters during the intervals between meetings of the full Board, except those matters that by law may not be delegated. The executive committee meets as necessary and all actions by the committee are reported at the next Board meeting.

THE NOMINATING/GOVERNANCE COMMITTEE

The nominating/governance committee develops policy on the size and composition of the Board, criteria for director nomination and procedures for the nomination process. The committee identifies and recommends candidates for election to the Board. The committee also reviews and makes recommendations to the Board and/or management with respect to corporate governance issues and management succession plans.

Each member of the nominating/governance committee meets the independence requirements of the NYSE and the Company's corporate governance policy.

The table below provides information regarding membership of each Board committee and meetings held during fiscal year 2013.

Director*	Audit	Compensation	Executive	Nominating/ Governance
Amy E. Alving				ü
Daniel J. Carroll, Jr. ⁽¹⁾	ü	ü		
Robert B. Coutts ⁽²⁾		ü		ü
Mark E. Goldstein ⁽³⁾		ü		
Cheryl W. Gris� ⁽⁴⁾	ü	Chair		
Ronald L. Hoffman		ü	Chair	
Lawrence D. Kingsley			ü	
Dennis N. Longstreet			ü	ü
B. Craig Owens	Chair			
Katharine L. Plourde	ü			Chair
Edward L. Snyder ⁽⁵⁾				ü
Edward Travaglianti	ü		ü	
Bret W. Wise ⁽⁶⁾	ü		ü	
Number of meetings	8	8	2	4

* All directors were determined to be independent, except Mr. Kingsley.

(1) Served on the audit and compensation committees until his retirement on December 12, 2012.

(2) Appointed to the nominating/governance committee effective January 17, 2013.

(3) Appointed to the compensation committee effective December 12, 2012.

(4) Served on the audit committee until January 16, 2013.

(5) Served on the nominating/governance committee until his retirement on December 12, 2012.

(6) Appointed to the audit committee effective December 12, 2012 and the executive committee effective January 17, 2013.

Compensation of Directors

The Company's non-employee directors receive both cash compensation and equity compensation. Each of these components is described below. As Mr. Kingsley also serves as Chief Executive Officer of the Company, he did not receive any compensation for his service as a director during fiscal year 2013.

NON-EMPLOYEE DIRECTORS' COMPENSATION

Compensation for the Company's non-employee directors during fiscal year 2013 consisted of the following:

- an annual cash retainer of \$55,000.
- an annual equity grant (the "Annual Grant") of stock units equal to \$130,000 under the Pall Corporation 2012 Stock Compensation Plan (the "2012 Stock Plan") to each director and an initial equity grant (the "Initial Grant") of stock units equal to \$100,000 to each individual elected as a director at an annual meeting for the first time. The value of the award units is based on the average high and low price of Pall's common stock over a five-day period, up to and including the grant date. The units convert into Pall common stock on a one-for-one basis. With respect to the Annual Grant, directors may receive shares of Pall's common stock at the time the grant is made or defer the distribution until (i) a date selected by the director, (ii) termination of his or her directorship, or (iii) the earlier of the date selected by the director or termination of his or her directorship. The directors are able to designate whether they would like to receive their deferred units in a single lump sum or in up to five annual installments. With respect to the Initial Grant, the units are payable when the director leaves the Board, except upon removal for cause.

In addition, non-employee directors received the following cash retainers in fiscal year 2013:

- Audit Committee: Chair - \$25,000; Member - \$14,000
- Compensation Committee: Chair - \$15,000; Member - \$7,500
- Executive Committee: Chair - \$15,000; Member - \$7,500
- Nominating/Governance Committee: Chair - \$15,000; Member - \$7,500
- Chairman of the Board: \$55,000

The cash retainers are prorated in the case of directors serving partial periods on the Board or a committee.

In October 2013, Lawrence Kingsley, the Company's Chief Executive Officer, was elected as Chairman of the Board and Ronald L. Hoffman, who previously served as Chairman of the Board, was elected as Lead Director by the independent directors. As Lead Director, it is expected that Mr. Hoffman will receive a cash retainer of \$25,000. Mr. Kingsley will not receive compensation for his service as Chairman of the Board.

DIRECTORS' FEE DEFERRALS

Non-employee directors may defer 100% of their cash fees under the 2012 Stock Plan until they cease to be members of the Board for any reason. Deferred fees are credited to the directors as units, with each unit representing one share of Pall's common stock. On the day that cash fees are paid to the directors, a director participating in the deferral program is credited with a number of units equal to the amount of cash fees payable to such director on that date, divided by the closing price of one share of Pall's common stock. Dividends are credited as additional units. Upon leaving the Board, a participating director receives shares of common stock equal to the number of whole units credited to such

director's account in either a lump sum or in five equal annual installments, as elected by the director prior to his or her deferral. Any fractional unit is paid in cash. During fiscal year 2013, Messrs. Coutts, Goldstein and Wise participated in the deferral program.

2013 DIRECTOR COMPENSATION TABLE

The following table shows the compensation of non-employee directors for fiscal year 2013.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards ⁽¹⁾⁽²⁾ (\$)	All Other Compensation ⁽⁵⁾ (\$)	Total (\$)
Amy E. Alving	62,500	&n		