

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2009
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>PTM UNION 401(K) PLAN</u>	1b Three-digit plan number (PN) ► <u>008</u> 1c Effective date of plan <u>07/01/1998</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>PALL CORPORATION</u> <u>25 HARBOR PARK DRIVE</u> <u>PORT WASHINGTON, NY 11050</u>	2b Employer Identification Number (EIN) <u>11-1541330</u> 2c Sponsor's telephone number <u>516-484-5400</u> 2d Business code (see instructions) <u>339900</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/15/2010</u>	<u>JAMES PORRETTO</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same")

PALL CORPORATION

25 HARBOR PARK DRIVE
PORT WASHINGTON, NY 11050**3b** Administrator's EIN

11-1541330

3c Administrator's telephone number

516-484-5400

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:**a** Sponsor's name**4b** EIN**4c** PN**5** Total number of participants at the beginning of the plan year**5**

423

6 Number of participants as of the end of the plan year (welfare plans complete only lines **6a**, **6b**, **6c**, and **6d**).**a** Active participants.....**6a**

330

b Retired or separated participants receiving benefits.....**6b**

1

c Other retired or separated participants entitled to future benefits.....**6c**

43

d Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

374

e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

0

f Total. Add lines **6d** and **6e**.....**6f**

374

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g**

324

h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

16

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)**7****8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2T

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)(1) ☐

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☒

Trust

(4) ☐

General assets of the sponsor

9b Plan benefit arrangement (check all that apply)(1) ☐

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☒

Trust

(4) ☐

General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)**a Pension Schedules**(1) ☒**R** (Retirement Plan Information)(2) ☐**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary(3) ☐**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary**b General Schedules**(1) ☒**H** (Financial Information)(2) ☐**I** (Financial Information – Small Plan)(3) ☐**A** (Insurance Information)(4) ☐**C** (Service Provider Information)(5) ☒**D** (DFE/Participating Plan Information)(6) ☐**G** (Financial Transaction Schedules)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

► **File as an attachment to Form 5500.**

OMB No. 1210-0110

2009

This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan
PTM UNION 401(K) PLAN

B Three-digit plan number (PN)	▶	008
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C Plan or DFE sponsor's name as shown on line 2a of Form 5500
PALL CORPORATION

D	Employer Identification Number (EIN)
	11-1541330

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: **PALL CORP MASTER SAVINGS PLAN TRUST**

b Name of sponsor of entity listed in (a): PALL CORPORATION

c EIN-PN 11-1541330-009	d Entity code M	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 4739195
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan PTM UNION 401(K) PLAN	B Three-digit plan number (PN) ►	008
C Plan sponsor's name as shown on line 2a of Form 5500 PALL CORPORATION	D Employer Identification Number (EIN) 11-1541330	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		2600
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	336762	298349
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	3182714	4739195
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	3519476	5040144

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		2900
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	2900

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	3519476	5037244
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	222232	
(B) Participants	2a(1)(B)	476509	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		698741
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	19733	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		19733
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		1022993
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1741467

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	234412	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		234412
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		-14164
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	3451	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		3451
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		223699

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1517768
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: KPMG, LLP

(2) EIN: 13-5565207

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		15000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>PTM UNION 401(K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>008</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>PALL CORPORATION</u>	D Employer Identification Number (EIN) <u>11-1541330</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____



PTM UNION 401(k) PLAN

Financial Statements and Supplemental Schedule

December 31, 2009 and 2008

(With Independent Auditors' Report Thereon)

PTM UNION 401(k) PLAN

Table of Contents

	Page
Independent Auditors' Report	1
Statements of Net Assets Available for Benefits as of December 31, 2009 and 2008	2
Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2009 and 2008	3
Notes to Financial Statements	4
Supplemental Schedule*	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2009	12
* Schedules required for Form 5500 which are not applicable have not been included.	



KPMG LLP
Suite 200
1305 Walt Whitman Road
Melville, NY 11747-4302

Independent Auditors' Report

To the Plan Administrator
PTM Union 401(k) Plan:

We were engaged to audit the accompanying statements of net assets available for benefits of the PTM Union 401(k) Plan as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedule, Schedule H, line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2009. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 25200.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Fidelity Management Trust Company, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained certifications from the Trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

KPMG LLP

October 15, 2010

PTM UNION 401(k) PLAN

Statements of Net Assets Available for Benefits

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets:		
Investments, as certified by the trustee (Note 3):		
Plan interest in Pall Master Trust	\$ <u>4,739,195</u>	\$ <u>3,182,714</u>
Total investments	<u>4,739,195</u>	<u>3,182,714</u>
Receivables:		
Employer contributions (Note 8)	2,600	-
Participant loans	<u>298,349</u>	<u>336,762</u>
Total receivables	<u>300,949</u>	<u>336,762</u>
Total assets available for benefits	<u><u>5,040,144</u></u>	<u><u>3,519,476</u></u>
Liabilities:		
Payable to participants (Note 8)	<u>2,900</u>	<u>-</u>
Total liabilities	<u>2,900</u>	<u>-</u>
Net assets available for benefits	\$ <u><u>5,037,244</u></u>	\$ <u><u>3,519,476</u></u>

See accompanying notes to financial statements.

PTM UNION 401(k) PLAN

Statements of Changes in Net Assets Available for Benefits

Years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Additions to (Reductions from) net assets attributed to:		
Investment income (loss), as certified by the trustee (Note 3):		
Plan interest in Pall Master Trust investment income (loss)	\$ 1,022,993	\$ (1,582,281)
Interest income on participant loans	19,733	24,333
Contributions:		
Employer contributions	222,232	247,139
Participant contributions	476,509	602,988
Rollovers	-	34,204
Total additions (reductions)	<u>1,741,467</u>	<u>(673,617)</u>
Deductions from net assets attributed to:		
Benefit payments	(220,248)	(216,944)
Administrative expenses (Note 6)	(3,451)	(3,054)
Total deductions	<u>(223,699)</u>	<u>(219,998)</u>
Net increase (decrease)	1,517,768	(893,615)
Net assets available for benefits:		
Beginning of year	<u>3,519,476</u>	<u>4,413,091</u>
End of year	\$ <u><u>5,037,244</u></u>	\$ <u><u>3,519,476</u></u>

See accompanying notes to financial statements.

PTM UNION 401(k) PLAN

Notes to Financial Statements

December 31, 2009 and 2008

(1) Description of Plan

The following brief description of the PTM Union 401(k) Plan (the Plan) provides only general information. Participants should refer to the Plan document, as restated on January 1, 2002, for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined contribution plan covering substantially all domestic eligible employees of Local 1326 of International UAW (PTM Union). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Pall Corporation (the Company or the Plan Sponsor) has established the Pall Corporation Master Savings Plan Trust (the Master Trust). Fidelity Management Trust Company, the Trustee of the Master Trust (the Trustee or Fidelity), maintains separate records of investments and investment activity attributable to each of the participating plans. The assets of the Plan and the Pall Corporation 401(k) Plan (another Company sponsored defined contribution plan) are in the Master Trust.

The Plan was originally effective July 1, 1998 and was amended and restated effective January 1, 2002 to comply with legislative changes.

(b) Contributions

Effective January 1, 2002, participants may contribute, on either a pre-tax or after-tax basis, specified percentages from 1% to 50% of compensation to the Plan. The Plan does not permit total contributions to any participant's account to exceed the lesser of \$49,000 and \$46,000 during the years ended December 31, 2009 and 2008, respectively, as adjusted for increases in the cost of living under Section 415(d) of the Internal Revenue Code, or 100% of a participant's compensation during the year. For plan years prior to 2002, participants could contribute, on a pre-tax basis, specified percentages from 1% to 15% of compensation to the Plan. The Plan did not permit total contributions to any participant's account to exceed 25% of a participant's compensation during the year. The maximum amount that a participant can elect to defer on a pre-tax basis under a 401(k) plan is \$16,500 and \$15,500 for calendar years 2009 and 2008, respectively. Pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001, all participants who have attained the age of 50 before the close of the Plan year are eligible to make an additional "catch-up" contribution up to \$5,500 and \$5,000 for the Plan years ended December 31, 2009 and 2008, respectively.

Under the PTM Union collective bargaining agreement, the Plan provides an employer matching component. The employer matches the participant's contribution up to a maximum of 1.25% of eligible compensation for the Plan year, as defined by the Plan. Under a collective bargaining agreement entered into after December 31, 2006, effective April 21, 2007, the employer matching contribution increased to 2.00% of eligible compensation. This amount increased to 2.50% effective April 21, 2008 and to 3.00% effective April 21, 2009.

PTM UNION 401(k) PLAN

Notes to Financial Statements

December 31, 2009 and 2008

(c) Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and (b) Plan earnings, based upon the earnings of the investment funds selected by the participant as described in Note 1(e) below, and charged with an allocation of administrative expenses. Allocation of the Plan's earnings is based on the participant's account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

(d) Vesting

Participants are immediately vested in their contributions, plus actual earnings thereon, and become vested in Company contributions, and earnings thereon, in accordance with the following schedule:

<u>Years of service</u>	<u>Vested percentage</u>
Less than 2	—%
2	20
3	40
4	60
5 or more	100

(e) Management of the Plan

The Plan is managed by the Trustee under the terms of the Master Trust agreement. The board of directors of the Company has appointed a committee (the PTM Union 401(k) Plan Committee) to serve as plan administrator of the Plan.

The Plan requires that participants select the investment funds into which their account is invested. The participant may select from a variety of investment options.

(f) Participant Loans

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of the vested account balance, subject to certain restrictions outlined in the Plan and approval by the plan administrator. The loans are secured by the balance in the participant's account and bear interest at rates that range from 4.25% to 9.25%, which are commensurate with local prevailing rates at loan inception as determined by the plan administrator, maturing through 2016. Principal and interest are paid ratably through payroll deductions.

PTM UNION 401(k) PLAN

Notes to Financial Statements

December 31, 2009 and 2008

(g) *Payment of Benefits*

On termination of service due to death, disability, or retirement, a participant or beneficiary may elect to receive payment equal to the value of the participant's vested interest in his or her account in a lump sum. For termination of service due to other reasons, a participant may elect to receive payment equal to the value of the vested interest in his or her account as a lump sum at any time after termination. However, in the event a distribution is not elected by a participant upon termination of service, payment equal to the value of the vested interest in his or her account will commence no later than the end of the calendar year in which the participant attains age 65.

(h) *Forfeited Accounts*

At December 31, 2009 and 2008, forfeited nonvested accounts totaled \$2,172 and \$9, respectively. The accounts will be used to reduce future employer contributions. In 2009 and 2008, \$9,251 and \$879, respectively, was used to reduce employer contributions.

(i) *Subsequent Events*

The Company has evaluated subsequent events for possible disclosure through October 15, 2010, the date the financial statements are issued, noting no events that would require adjustment to, or disclosures in, the financial statements as of and for the year ended December 31, 2009.

(2) *Summary of Accounting Policies*

The following are the significant accounting policies followed by the Plan:

(a) *Basis of Accounting*

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Certain reclassifications were made to prior year amounts to conform to the current year presentation.

(b) *Recent Accounting Standards Impacting Plan*

In September 2010, the Financial Accounting Standards Board ("FASB") issued updated guidance that amends the classification and measurement of participant loans by defined contribution pension benefit plans. This updated guidance requires that participant loans be classified as notes receivable from participants, which are segregated from plan investments and measured at their unpaid principal balance plus any accrued but unpaid interest. Previously, participant loans were classified as investments and presented at fair value in Note 4, Fair Value Measurements. The guidance is effective for fiscal years ending after December 15, 2010, and allowed for early adoption. The Company has early adopted this guidance as of December 31, 2009, and applied it retrospectively, as required.

PTM UNION 401(k) PLAN

Notes to Financial Statements

December 31, 2009 and 2008

In January 2010, the FASB issued updated guidance that amends the disclosure requirements over fair value measurements. This updated guidance: (i) requires that the amounts of significant transfers in and out of Level 1 and Level 2 fair value measurements be disclosed separately along with the reasons for the transfer; (ii) clarifies the requirement that a reporting entity should provide fair value measurement disclosures for each class of assets and liabilities; and (iii) clarifies the requirement that a reporting entity should provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring Level 2 and Level 3 fair value measurements. This new guidance is effective for the December 31, 2010 financial statements. In addition, effective for the Plan's December 31, 2011 financial statements, this guidance requires that in Level 3 fair value measurement reconciliations, information about purchases, sales, issuances and settlements should be presented separately on a gross basis.

(c) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates and assumptions.

(d) *Investment Valuation and Income Recognition*

The assets of the Plan are held in the Master Trust, along with assets of the other aforementioned Company sponsored defined contribution plan. The Trustee maintains separate records of the investments and investment activity attributable to each plan. The fair value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Master Trust plus actual contributions, asset transfers in, and allocated investment income less actual distributions, allocated investment loss, asset transfers out and allocated administrative expenses.

Quoted market prices are used to value investments in the Master Trust, if available. Unit values in the Master Trust represent the Master Trust's proportionate participation in the funds and include earnings and realized and unrealized appreciation and depreciation of the funds' investments less investment related fees and expenses charged to the funds. Purchases and sales by the Master Trust are recorded on a trade date basis. Interest income is recorded by the Master Trust on the accrual basis. The Master Trust records dividends on the ex-dividend date. For further discussion about the fair value of the Plan's investments, see Note 4, Fair Value Measurements.

(e) *Benefit Payments*

Benefits are recorded when paid.

(f) *Risks and Uncertainties*

The participants may direct investment of their account balances in various types of investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit

PTM UNION 401(k) PLAN

Notes to Financial Statements

December 31, 2009 and 2008

risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

(g) Administrative Expenses

During 2009 and 2008, the Company paid certain Plan administrative costs, which include legal fees, which were not paid by the Plan (see Note 6 for expenses paid by the Plan).

(3) Plan Information Certified by the Trustee

The plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the plan administrator has instructed the Plan's independent auditors not to perform any auditing procedures with respect to the investment information certified by Fidelity as complete and accurate, except for comparing such information certified by the Trustee to information included in the Plan's individual financial statements and supplemental schedule.

The Trustee has certified to the accuracy and completeness of the Plan's proportionate interest in the Master Trust investments at December 31, 2009 and 2008 and the related investment activity for the years ended December 31, 2009 and 2008 as follows:

		<u>2009</u>	<u>2008</u>
Plan's investment in the net assets of the Master Trust	\$	4,739,195	3,182,714
Plan's share of investment income (loss) of the Master Trust		1,022,993	(1,582,281)

(4) Fair Value Measurements

Master Trust investments are recorded at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

PTM UNION 401(k) PLAN

Notes to Financial Statements

December 31, 2009 and 2008

The current authoritative guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). This guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Use of observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Use of inputs other than quoted prices included in Level 1, which are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Use of inputs that are unobservable.

Following is a description of the valuation methodologies used for assets measured at fair value.

Money market funds and mutual funds: Valued at closing price as reported on the active market on which the individual securities are traded.

The following table presents, for each of these hierarchy levels, the Master Trust investments measured at fair value as of December 31, 2009 and 2008:

	December 31, 2009	Fair value measurements		
		Level 1	Level 2	Level 3
Money market and mutual funds	\$ 242,707,386	242,707,386	-	-
Pall Corporation stock fund	1,616,252	-	1,616,252	-

	December 31, 2008	Fair value measurements		
		Level 1	Level 2	Level 3
Money market and mutual funds	\$ 189,101,862	189,101,862	-	-
Pall Corporation stock fund	1,533,811	-	1,533,811	-

(5) Investment in Master Trust

The Plan's investments are in a Master Trust which was established for the investment of assets of the Plan and the other aforementioned Pall Corporation defined contribution plan. Each participating retirement plan has an undivided interest in the Master Trust, the assets of which are held by the Trustee as of December 31, 2009 and 2008. The allocation of assets to the individual plans is determined based upon the ratio of the net assets of each Plan to total net assets of the Master Trust. At December 31, 2009 and 2008, the Plan's interest in the net assets of the Master Trust was approximately 1.9% and 1.7%, respectively.

PTM UNION 401(k) PLAN

Notes to Financial Statements

December 31, 2009 and 2008

Investment income/(losses) of the Master Trust and certain costs relating to the Master Trust are allocated to the individual plans based upon actual balances invested within each plan.

The following table presents the fair value of investments in the Master Trust as of December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Investments at fair value:		
Money market and mutual funds	\$ 242,707,386	\$ 189,101,862
Pall Corporation common stock fund	<u>1,616,252</u>	<u>1,533,811</u>
	<u>\$ 244,323,638</u>	<u>\$ 190,635,673</u>

The following table presents investments that represent 5% or more of the Master Trust's assets as of December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Fidelity Asset Manager 50%	\$ 40,293,443	\$ 32,492,820
Fidelity Magellan Fund	23,842,973	15,637,094
Fidelity Money Market Trust Retirement Money		
Market Portfolio	21,396,449	24,429,178
Fidelity Equity-Income Fund	20,590,771	15,715,681
Fidelity Diversified International Fund	17,600,388	13,007,677
Fidelity Blue Chip Growth Fund	17,069,153	11,217,922
Fidelity U.S. Bond Index Fund	16,994,014	15,647,683

Investment income/(loss) for the Master Trust for the years ended December 31, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Investment income/(loss):		
Net appreciation (depreciation) in fair value of investments	\$ 45,625,736	\$ (97,235,962)
Interest and dividend income	<u>4,280,223</u>	<u>8,128,516</u>
	<u>\$ 49,905,959</u>	<u>\$ (89,107,446)</u>

PTM UNION 401(k) PLAN

Notes to Financial Statements

December 31, 2009 and 2008

During the years ended December 31, 2009 and 2008, the Master Trust's investments including gains and losses on investments bought and sold, as well as held during the year, appreciated/(depreciated) in value by \$45,625,736 and \$(97,235,962), respectively, as follows:

	<u>2009</u>	<u>2008</u>
Money market and mutual funds	\$ 45,218,932	\$ (96,577,126)
Pall Corporation common stock fund	406,804	(658,836)
	<u>\$ 45,625,736</u>	<u>\$ (97,235,962)</u>

(6) Related Party Transactions

Certain Plan investments are shares of mutual funds managed by Fidelity. Fidelity is the Trustee of the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Plan to Fidelity for services amounted to \$3,451 and \$3,054 for the years ended December 31, 2009 and 2008, respectively.

(7) Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts. Any unallocated assets of the Plan shall be allocated to participants' accounts and distributed in such a manner as the Company may determine.

(8) Tax Status

The Internal Revenue Service (the IRS) has determined and informed the Company by letter dated April 25, 2003 that the Plan and related trust as then designed, were in compliance with the applicable sections of the Internal Revenue Code (the IRC). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. In 2008, there were certain operational issues identified regarding employer matching contributions. The Plan Sponsor has taken the appropriate corrective actions to remedy these issues and has submitted an Application for Compliance Statement to the IRS under the Voluntary Correction Program. In 2009, the Plan Sponsor learned that the vesting service of approximately 10 participants who separated from service during Plan years 2005 through 2009 had been miscalculated. The Company intends to take the appropriate corrective action to remedy these issues as soon as practicable in full compliance with all governmental regulations. A payable of \$2,900 and receivable of \$2,600 has been recorded in the accompanying financial statements in connection with the above mentioned operational issues.

Supplemental Schedule

PTM UNION 401(k) PLAN

Schedule H, Line 4i – Schedule of Assets (Held at End of Year)

December 31, 2009

<u>Identity of issuer, borrower, lessor, or similar party</u>	<u>Description of investments including maturity date, rate of interest, collateral, par, or maturity value</u>	<u>Current value</u>
* Plan participants	96 participant loans receivable at interest rates between 4.25% and 9.25% maturing through 2016	\$ 298,349

* Represents parties-in-interest to the Plan.

See accompanying independent auditors' report.

Plan Name	PTM UNION 401(K) PLAN	EIN:	11-1541330
Plan Sponsor's Name	*	PN:	008

[illegible]