

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 <div style="font-size: 24pt; font-weight: bold;">2009</div> This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>08/01/2009</u> and ending <u>07/31/2010</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>PALL CORPORATION CASH BALANCE PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>001</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>07/31/1963</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>001</u>	1c Effective date of plan <u>07/31/1963</u>	
1b Three-digit plan number (PN) ▶	<u>001</u>				
1c Effective date of plan <u>07/31/1963</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>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>11-1541330</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>516-484-5400</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>339900</u></td> </tr> </table>	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>	
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	Filed with authorized/valid electronic signature.	05/16/2011	JAMES PORRETTO
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	05/16/2011	JAMES PORRETTO
	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**

5716

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**

3638

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

543

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

1121

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

5302

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

124

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

5426

g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g****h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

68

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:

1C 1G 3H

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)

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2009 or fiscal plan year beginning 08/01/2009 and ending 07/31/2010

Round off amounts to nearest dollar.
Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan PALL CORPORATION CASH BALANCE PENSION PLAN	B Three-digit plan number (PN) 001
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF PALL CORPORATION	D Employer Identification Number (EIN) 11-1541330

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B **F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 08 Day 01 Year 2009		
2 Assets:		
a Market value	2a	81870401
b Actuarial value	2b	90057441
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a 628	18840319
b For terminated vested participants	3b 1128	20867859
c For active participants:		
(1) Non-vested benefits	3c(1)	191105
(2) Vested benefits	3c(2)	54589999
(3) Total active	3c(3) 3960	54781104
d Total	3d 5716	94489282
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐		
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	7.41 %
6 Target normal cost	6	5848111

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	05/12/2011
CHRISTOPHER KEACH	Date 11-06127
MERCER	Most recent enrollment number 212-345-7000
1166 AVENUE OF THE AMERICAS NEW YORK, NY 10036-2708	Telephone number (including area code)
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of year carryover and prefunding balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8).....	0	0
10 Interest on item 9 using prior year's actual return of <u>-12.94</u> %		
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of <u>6.09</u> %		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance.....		0
12 Reduction in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	0	0

Part III Funding percentages		
14 Funding target attainment percentage.....	14	95.30 %
15 Adjusted funding target attainment percentage.....	15	95.30 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	96.51 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
11/16/2009	1305951				
12/10/2009	370835				
02/12/2010	1676786				
05/14/2010	1676786				
07/30/2010	4000000				
			Totals ►	18(b)	9030358
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	8565036
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of Quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 65
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	5848111
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	5848111
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35).....	36	5848111
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	8565036
38 Interest-adjusted excess contributions for current year (see instructions).....	38	2716925
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider 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 08/01/2009 and ending 07/31/2010		
A Name of plan PALL CORPORATION CASH BALANCE PENSION PLAN	B Three-digit plan number (PN) ▶	001
C Plan sponsor's name as shown on line 2a of Form 5500 PALL CORPORATION	D Employer Identification Number (EIN) 11-1541330	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
SALIENT CAPITAL L.P.
20-2472055

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

W.P. STEWART

13-2766055

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	202619	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

REED CONNOR BIRDWELL

95-2461281

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	85502	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

THE BANK OF NEW YORK MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21	TRUSTEE	56525	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

SAGE ADVISORY SERVICES

74-2798841

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	36635	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

EDGEWOOD MANAGEMENT L.L.C.

20-4044179

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	26784	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

MORGAN STANLEY

26-4310632

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	CONSULTANT	25109	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

EVERGREEN INVESTMENT MANAGEMENT CO.

52-2289762

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	INVESTMENT MANAGEMENT	11327	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

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)**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)**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)**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)**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 **PALL CORP CASH BALANCE PENSION PLAN****b** Name of plan sponsor **PALL CORPORATION****c** EIN-PN **11-1541330-001****a** Plan name **PALL TRINITY MICRO PENSION PLAN FOR HOURLY-RATED FACTORY EMPLOYEES****b** Name of plan sponsor **PALL CORPORATION****c** EIN-PN **11-1541330-003****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 08/01/2009 and ending 07/31/2010		
A Name of plan PALL CORPORATION CASH BALANCE PENSION PLAN	B Three-digit plan number (PN) ►	001
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
---------------	--------------------------------------

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)	7445607	
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	404499	328891
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)		
(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)	76646859	95184876
(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)	4878	6981

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	84501843	95520748

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	144068	69373
i Acquisition indebtedness	1i		
j Other liabilities	1j	2178050	4107236
k Total liabilities (add all amounts in lines 1g through 1j)	1k	2322118	4176609

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	82179725	91344139
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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 Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	9002798	
(B) Participants	2a(1)(B)		
(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)		9002798

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)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(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)		7454079
(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		16456877

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6583419	
(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)		6583419
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	-31667	
(2) Contract administrator fees	2i(2)	56525	
(3) Investment advisory and management fees	2i(3)	387976	
(4) Other	2i(4)	296210	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		709044
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		7292463

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		9164414
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		25000000
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.).....			
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 08/01/2009 and ending 07/31/2010

A Name of plan <u>PALL CORPORATION CASH BALANCE PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</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
---------------	----------------------

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>13-5160382</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	<u>210</u>

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
-----------------	-------------------

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.
----------------	---

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: 41% Investment-Grade Debt: 28% High-Yield Debt: 3% Real Estate: 0% Other: 28%

- 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):



**PALL CORPORATION
CASH BALANCE PENSION PLAN**

Financial Statements

July 31, 2010 and 2009

(With Independent Auditors' Report Thereon)

**PALL CORPORATION
CASH BALANCE PENSION PLAN**

Table of Contents

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Notes to Financial Statements	4



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

Independent Auditors' Report

Plan Administrator
Pall Corporation Cash Balance Pension Plan:

We were engaged to audit the accompanying statements of net assets available for plan benefits of the Pall Corporation Cash Balance Pension Plan as of July 31, 2010 and 2009, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 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 5, which was certified by The Bank of New York Mellon, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements. 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 July 31, 2010 and 2009, 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 taken as a whole. The form and content of the information included in the financial statements, 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

May 16, 2011

PALL CORPORATION
CASH BALANCE PENSION PLAN

Statements of Net Assets Available for Plan Benefits

July 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets:		
Investment, at fair value (note 5):		
Plan interest in Pall Master Trust	\$ 95,184,876	76,646,859
Prepaid expenses	6,981	4,878
Total investments	<u>95,191,857</u>	<u>76,651,737</u>
Receivables:		
Employer contribution	—	7,445,607
Accrued interest (note 5)	292,734	237,176
Due from broker for sale of securities (note 5)	36,157	167,323
Total receivables	<u>328,891</u>	<u>7,850,106</u>
Total assets	95,520,748	84,501,843
Liabilities:		
Due to broker for purchase of securities (note 5)	4,107,236	2,178,050
Accrued expenses	69,373	144,068
Net assets available for plan benefits	<u>\$ 91,344,139</u>	<u>82,179,725</u>

See accompanying notes to financial statements.

PALL CORPORATION
CASH BALANCE PENSION PLAN

Statements of Changes in Net Assets Available for Plan Benefits

Years ended July 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Additions/(deductions) to net assets attributed to:		
Investment income/(loss) (note 5):		
Plan interest in Pall Master Trust investment income/(loss)	\$ 7,454,079	(10,456,333)
Employer contribution	<u>9,002,798</u>	<u>7,115,607</u>
Total additions/(deductions)	<u>16,456,877</u>	<u>(3,340,726)</u>
Deductions from net assets attributed to:		
Benefits paid directly to participants	6,583,419	7,521,359
Administrative expenses	<u>709,044</u>	<u>653,629</u>
Total deductions	<u>7,292,463</u>	<u>8,174,988</u>
Net increase/(decrease)	9,164,414	(11,515,714)
Net assets available for plan benefits:		
Beginning of year	<u>82,179,725</u>	<u>93,695,439</u>
End of year	<u>\$ 91,344,139</u>	<u>82,179,725</u>

See accompanying notes to financial statements.

**PALL CORPORATION
CASH BALANCE PENSION PLAN**

Notes to Financial Statements

July 31, 2010 and 2009

(1) Description of Plan

The following description of the Pall Corporation Cash Balance Pension Plan (the Plan) is provided for general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined benefit pension plan covering substantially all U.S. and Puerto Rico employees of Pall Corporation and its participating subsidiaries (the Company), other than the employees covered by a union or other retirement plan, who have at least six months of service and have attained the age 20-1/2. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The board of directors of the Company has appointed a committee (the Pension Committee), consisting of five members, to serve as plan administrator of the Plan.

The Pension Committee has established the Pall Corporation Master Trust (Master Trust), which holds the commingled assets of the Plan and the Pall Trinity Micro Pension Plan for Hourly Rated Factory Employees (PTM Plan).

Under the terms of a trust agreement between The Bank of New York Mellon and the Plan, The Bank of New York Mellon is the Trustee of the Plan.

(b) Pension Benefit

Participants are entitled to annual pension benefits beginning at normal retirement age of 65. A participant's opening balance under the cash balance formula equaled the value of the participant's accrued benefit earned under the Pall Corporation Pension Plan as of July 31, 1999. Interest at 6.5% and the GATT Mortality table were used to convert July 31, 1999 accrued benefits to account balances. The participants' pension benefits are accumulated each service year by an amount equal to a percentage of their total annual pay (pay credit). The percentage used varies from 2.5% to 5% and is dependent upon the participant's age and years of service on the first day of the Plan year. Additionally, a participant who was at least age 50 with 10 years of service on August 1, 1999 is entitled to an additional pay credit of 2% for each plan year that the participant remains an employee. Participants are also credited with interest credits on both their account balance and annual pay credit. The rate used to determine the credits are based on the average yield on one year U.S. Treasury Bills for the month of June of the preceding plan year. The rates used were 1.68% and 2.42% for the plan years ended July 31, 2010 and 2009, respectively. This computation of the final pension benefit is subject to certain limitations as more fully described in the Plan agreement.

The Plan permits early retirement at ages 55 to 64 for participants with five or more years of service. A participant who terminates with five or more years of service, for any reason other than death, is entitled to receive his/her retirement benefit on the first day of the month coinciding with or immediately following his/her termination of service. Participants with a vested pension benefit are entitled to receive benefits upon termination in the form of an annuity or a lump sum payment.

PALL CORPORATION
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Effective January 1, 2008, the plan offers rollovers of lump sum benefit payments from the Plan to a Roth IRA, as required under Internal Revenue Service (IRS) regulations.

(c) *Death and Disability Benefits*

If a participant dies before commencement of benefits, the designated beneficiary shall be eligible to receive the entire benefit regardless of the participant's vested status. The participant's beneficiary is entitled to receive his/her benefit payable as a lump sum or an annuity. The participant will be fully vested in his/her account balance upon death, and the participant's account will be credited with a pay credit during the year of death, if applicable.

If a participant becomes totally and permanently disabled, the participant will become fully vested in his/her account balance regardless of length of service and will continue to receive a pay credit during the year of disability. Upon becoming disabled, a participant may elect to receive his account immediately payable as a lump sum or an annuity. The benefit is calculated by taking the participant's account balance, a compensation credit for the full Plan year of his disablement and projecting with interest credits through the participant's normal retirement date.

(d) *Administrative Expenses*

Administrative expenses are paid by the Plan if not paid by the Company.

(e) *Subsequent Events*

For the plan year ended July 31, 2010, the Company has evaluated subsequent events for potential recognition and disclosure through May 16, 2011, the date of financial statement issuance. In January 2011, the company amended and restated the Plan document in accordance with the IRS regulations.

(2) *Summary of Significant 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.

(b) *Recent Accounting Standards Impacting the Plan*

In January 2010, the Financial Accounting Standards Board (FASB) issued updated guidance that amends the disclosure requirements for 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 plan year ending July 31, 2011. Effective for the plan year ending July 31, 2012, this guidance requires that in the

PALL CORPORATION
CASH BALANCE PENSION PLAN

Notes to Financial Statements

July 31, 2010 and 2009

reconciliation of Level 3 fair value measurements, information about purchases, sales, issuances and settlements be presented separately on a gross basis.

In September 2009, the FASB issued amended guidance expanding the required disclosures for certain investments with a reported net asset value. This guidance permits, as a practical expedient, an entity holding investments in certain entities that calculate net asset value per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that net asset value per share or its equivalent without adjustment. This guidance requires enhanced disclosures about the nature and risks of investments within its scope. Such disclosures include the nature of any restrictions on an investor's ability to redeem its investments at the measurement date, any unfunded commitments, and the investment strategies of the investee. The Plan has adopted this guidance on a prospective basis for the plan year ended July 31, 2010. See note 6, Fair Value Measurements for the required disclosures.

(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 Plan assets, liabilities, and changes therein, disclosure of contingent liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

(d) Investment Valuation and Income Recognition

The assets of the Plan are held in the Master Trust along with assets of the aforementioned Company-sponsored defined benefit pension plan, the PTM 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.

Investments in securities held by the Master Trust are reported at fair value. Unit values in the Master Trust represent the Master Trust's proportionate participation in the investment 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.

(e) Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service participants have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated participants or their beneficiaries, (b) beneficiaries of participants who have died, and (c) present participants or their beneficiaries.

The actuarial present value of accumulated plan benefits is determined by Mercer, the plan's actuary, as of August 1, 2009 and represents that amount that results from applying actuarial assumptions to

PALL CORPORATION
CASH BALANCE PENSION PLAN

Notes to Financial Statements

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adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Had the valuation been prepared as of July 31, 2009, there would be no change in actuarial present value of accumulated plan benefits. The significant actuarial assumptions used in the valuation as of July 31, 2009 were: (a) life expectancy of participants (RP2000 white collar generational table for males and females), (b) retirement age assumptions, and (c) an interest rate of 7%. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

(f) *Payment of Benefits*

Benefits to participants or their beneficiaries are recorded upon distribution.

(g) *Risks and Uncertainties*

The Plan invests in the Master Trust which invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit 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 the amounts reported in the statement of net assets available for plan benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

(3) *Funding Policy*

The Company, to the extent it is able to do so, will annually make contributions required to satisfy the minimum funding standards prescribed under Section 412 of the Internal Revenue Code, as amended. The Company will not contribute to the trust fund any amounts which are not or may not be, deductible from income under Section 404(a) of the Internal Revenue Code, as amended. For the year ended July 31, 2009, a receivable had been recorded in the accompanying financial statements representing the minimum required contribution and the payment was made during the year ended July 31, 2010. For the year ended July 31, 2010, the minimum funding requirements have been met and there are no outstanding receivables.

It is the intention of the Company to continue the Plan indefinitely and to contribute to the trust fund such amounts as are necessary to satisfy the full actuarially computed cost of providing the pensions payable under the Plan with respect to the participants employed by the Company in accordance with generally accepted actuarial principles adopted by the Pension Committee with the advice of its actuaries. Nevertheless, the Company reserves the right to suspend such contributions from time to time, to discontinue them altogether, or to terminate the Plan in its entirety.

PALL CORPORATION
CASH BALANCE PENSION PLAN

Notes to Financial Statements

July 31, 2010 and 2009

(4) Plan Termination

The Company intends to continue the Plan indefinitely, but reserves the right, at any time, to terminate the Plan. If the Plan is terminated, the trust fund shall be used for defraying the reasonable expenses of the Plan and for the exclusive benefit of the participants, retired participants and their spouses and beneficiaries as of the date of such termination. The rights of all active participants and retired participants affected by such termination to benefits accrued to the date of such termination, to the extent then funded, shall be nonforfeitable. Upon the complete termination of the Plan, after payment or the provision for the payment of expenses payable out of the trust fund in connection with the liquidation and the distribution of the trust fund, the remaining assets of the Plan, upon approval of the appropriate governmental or quasi-governmental authorities, shall be converted into cash and shall be allocated to and among and paid over to participants, retired participants and their spouses and beneficiaries in accordance with Section 4044 of ERISA in complete discharge of all liabilities of the Company and the Trustee for the benefits payable under the Plan. After the complete satisfaction of all liabilities to such participants, retired participants and their spouses and beneficiaries, any balances remaining in the trust fund shall be returned to the Company.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits, and certain disability and survivors' pensions. The PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during calendar years 2010 and 2009, that ceiling is \$4,500 per participant per month.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

(5) 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 following information certified by The Bank of New York Mellon, the Trustee of the Plan, as complete and accurate, except for comparing such information certified by the Trustee with information included in the Plan's financial statements.

The Plan's investments are in a Master Trust, which was established for the investment of assets of the Plan and the PTM Plan. Each plan has an undivided interest in the Master Trust, the assets of which were held by The Bank of New York Mellon, the Trustee of the Plan, except for the Endowment TEI Fund, L.P. (the Limited Partnership) assets. 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 July 31, 2010 and 2009, the Plan's interest in the net assets of the Master Trust was approximately 79.78% and 78.05%, respectively.

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Investment income of the Master Trust and certain costs relating to the Master Trust are allocated to the individual plans based upon actual balances invested by each plan.

All Master Trust amounts were certified to be complete and accurate by The Bank of New York Mellon, the Trustee of the Master Trust as of and for the years ended July 31, 2010 and 2009, with the exception of the investments in the Limited Partnership. The value of the Limited Partnership assets as of July 31, 2010 and July 31, 2009 and the activity for the years then ended was obtained directly from the Limited Partnership's third party administrator, and confirmed by the fund manager of the Limited Partnership. The Limited Partnership is a nondiversified, closed-end management investment company under the Investment Company Act of 1940, as amended.

Excluding the Plan's investment in the Limited Partnership, the Bank of New York Mellon has certified to the accuracy and completeness of the investment in net assets of the Master Trust, accrued interest, due from broker for sale of securities, and due to broker for purchase of securities at July 31, 2010 and 2009 and the investment income/(loss) for the years ended July 31, 2010 and 2009, for the Plan as summarized below:

	<u>2010</u>	<u>2009</u>
Certified by Bank of New York Mellon:		
Plan's investment in the net assets of the Master Trust	\$ 89,778,321	71,698,564
Plan's share of investment income/(loss) of the Master Trust	7,100,265	(9,616,978)
Limited partnership:		
Plan's investment in the net assets of the Master Trust	5,406,555	4,948,295
Plan's share of investment income/(loss) of the Master Trust	353,814	(839,355)

The following table presents the fair value of investments in the Master Trust as of July 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Investments at fair value:		
Corporate stocks – common	\$ 57,772,811	54,392,630
Other U.S. government and mortgage-backed securities	26,436,262	11,805,114
Corporate debt instruments	13,719,380	18,352,437
Commingled funds	14,601,587	7,309,974
Limited partnership	6,776,691	6,339,543
	<u>\$ 119,306,731</u>	<u>98,199,698</u>

PALL CORPORATION
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Notes to Financial Statements

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Investment income/(loss) for the Master Trust for the years ended July 31, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Certified by Bank of New York Mellon:		
Investment income/(loss):		
Net appreciation/(depreciation) in fair value of investments	\$ 6,730,981	(15,089,262)
Interest and dividend income	2,425,717	2,920,661
Total investment income/(loss)	<u>\$ 9,156,698</u>	<u>(12,168,601)</u>
Limited partnership:		
Investment income/(loss)	\$ 437,148	(1,075,322)

During the years ended July 31, 2010 and 2009, 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 \$7,168,129 and (\$16,164,584), respectively, as follows:

	<u>2010</u>	<u>2009</u>
Corporate stocks – common	\$ 4,282,715	(13,841,083)
U.S. government securities	378,222	236,767
Corporate debt instruments	2,150,081	(1,490,217)
Limited partnership	437,148	(1,075,322)
Other investments	(80,037)	5,271
	<u>\$ 7,168,129</u>	<u>(16,164,584)</u>

(6) 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.

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

PALL CORPORATION
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July 31, 2010 and 2009

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.

The following table presents, for each of these hierarchy levels, the Master Trust investments measured at fair value as of July 31, 2010:

	July 31, 2010	Fair value measurements		
		Level 1	Level 2	Level 3
Financial assets carried at fair value:				
Equity securities	\$ 57,772,811	57,772,811	—	—
Debt securities:				
Other U.S. government and mortgage-backed	16,166,751	—	16,166,751	—
Corporate	13,719,380	—	13,719,380	—
U.S. Treasury	10,269,511	—	10,269,511	—
Other investments:				
Commingled funds	14,601,587	—	14,601,587	—
Limited partnership	6,776,691	—	—	6,776,691
Total	\$ 119,306,731	57,772,811	54,757,229	6,776,691

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

	July 31, 2009	Fair value measurements		
		Level 1	Level 2	Level 3
Financial assets carried at fair value:				
Equity securities	\$ 54,392,630	54,392,630	—	—
Debt securities:				
Other U.S. government and mortgage-backed	5,566,335	—	5,566,335	—
Corporate	18,352,437	—	18,352,437	—
U.S. Treasury (a)	6,238,779	—	6,238,779	—
Other investments:				
Commingled funds (b)	7,309,974	—	7,309,974	—
Limited partnership	6,339,543	—	—	6,339,543
Total	\$ 98,199,698	54,392,630	37,467,525	6,339,543

PALL CORPORATION
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- (a) The Company determined that its investments in U.S. Treasury debt securities, previously classified as Level 1 in the fair value hierarchy, should be classified as Level 2. Also, investments in commingled funds which were previously classified as Level 3 in the fair value hierarchy, should be classified as Level 2. The Company adjusted the prior period information accordingly and has concluded that the adjustment to prior period disclosure is immaterial.

The following is a reconciliation of Level 3 investment for which significant unobservable inputs were used to determine fair value during fiscal year 2010:

		Fair value measurements using significant unobservable inputs (Level 3) Limited partnership
Beginning Balance at July 31, 2009	\$	6,339,543
Actual return on plan assets:		
Assets held, end of year		437,148
Assets sold during the period		—
Purchases, sales, and settlements, net		—
Exchange rate changes		—
Ending balance at July 31, 2010	\$	<u><u>6,776,691</u></u>

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The following is a reconciliation of Level 3 investment for which significant unobservable inputs were used to determine fair value during fiscal year 2009:

	Fair value measurements using significant unobservable inputs (Level 3) <hr/> Limited partnership
Beginning Balance at July 31, 2008	\$ 7,414,888
Actual return on plan assets:	
Assets held, end of year	(1,075,345)
Assets sold during the period	—
Purchases, sales, and settlements, net	—
Exchange rate changes	—
Ending balance at July 31, 2009	\$ <u>6,339,543</u>

The Plan's investments in equity securities are valued using quoted market prices and, as such, are classified within Level 1 of the fair value hierarchy.

The fair value of the Plan's investments in debt securities, are valued utilizing third party pricing services. The pricing services use inputs to determine fair value which are derived from observable market sources including reportable trades, benchmark curves, credit spreads, broker/dealer quotes, bids, offers, and other industry and economic events. These investments are included in Level 2 of the fair value hierarchy.

The fair value of the Plan's other investments included in Level 2 of the fair value hierarchy have been reported primarily using the net asset value per share of the investment as the practical expedient for measuring fair value as permitted for these types of investments.

The fair value of the Plan's other investments included in Level 3 of the fair value hierarchy have been valued using unobservable inputs which are subject to various redemption restrictions.

(7) Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits was determined by an independent actuary as of August 1, 2009 and represents that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Had the valuation been prepared as of July 31, 2009, there would be no change in actuarial present value of accumulated plan benefits.

PALL CORPORATION
CASH BALANCE PENSION PLAN

Notes to Financial Statements

July 31, 2010 and 2009

The actuarial present value of accumulated plan benefits as of July 31, 2009 is as follows:

Vested benefits:

Participants currently receiving payments	\$ 19,516,387
Other participants	77,196,921
	<u>96,713,308</u>

Nonvested benefits

249,615

Total actuarial present value of accumulated plan benefits	\$ <u><u>96,962,923</u></u>
--	-----------------------------

Changes in the actuarial present value of accumulated plan benefits are as follows:

Actuarial present value of accumulated plan benefits as of July 31, 2008	\$ 91,881,147
Increase/(decrease) during the year attributable to:	
Interest due to decrease in discount period	6,146,495
Benefits accumulated and gains and losses	6,456,640
Benefits paid	<u>(7,521,359)</u>
Actuarial present value of accumulated plan benefits as of July 31, 2009	\$ <u><u>96,962,923</u></u>

(8) Income Taxes

The IRS issued a favorable determination letter on September 15, 2008 which stated that the Plan and its underlying trust qualify under the applicable provisions of the Internal Revenue Code and therefore are exempt from Federal income taxes. Subsequent to the current plan year, the plan was amended and restated, and management has submitted an application to the IRS to obtain a new determination letter. In the opinion of the plan administrator, the Plan and its underlying trust have operated within the terms of the Plan, and remain qualified under the applicable provisions of the Internal Revenue Code. The plan administrator is not aware of any other facts or circumstances that could adversely affect the Plan's qualified tax status.

(9) Related-Party Transactions

Fees paid by the Plan to the Plan's Trustee, The Bank of New York Mellon, for the years ended July 31, 2010 and 2009 in connection with investment activities qualify as party-in-interest transactions and amounted to \$98,859 and \$66,071, respectively.

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <hr/> <small>Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 08/01/2009 and ending 07/31/2010

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Pall Corporation Cash Balance Pension Plan	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">B Three-digit plan number (PN) ▶</td> <td style="width:30%; text-align: center;">001</td> </tr> <tr> <td colspan="2" style="height: 20px;"></td> </tr> </table>	B Three-digit plan number (PN) ▶	001		
B Three-digit plan number (PN) ▶	001				
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Pall Corporation	D Employer Identification Number (EIN) 11-1541330				
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B					
F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500					

Part I Basic Information			
1 Enter the valuation date: Month <u>8</u> Day <u>1</u> Year <u>2009</u>			
2 Assets:			
a Market value.....	2a	81,870,401	
b Actuarial value.....	2b	90,057,441	
3 Funding target/participant count breakdown			
	(1) Number of Participants	(2) Funding Target	
a For retired participants and beneficiaries receiving payment.....	3a	628	18,840,319
b For terminated vested participants.....	3b	1,128	20,867,859
c For active participants:			
(1) Non-vested benefits.....	3c(1)		191,105
(2) Vested benefits.....	3c(2)		54,589,999
(3) Total active.....	3c(3)	3,960	54,781,104
d Total.....	3d	5,716	94,489,282
4 If the plan is at-risk, check the box and complete items (a) and (b) ☐			
a Funding target disregarding prescribed at-risk assumptions.....	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate.....	5	7.41 %	
6 Target normal cost.....	6	5,848,111	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<div style="font-family: cursive; font-size: 1.2em; margin-bottom: 5px;">Christopher Keach</div> <div style="text-align: center; font-size: 0.8em;">Signature of actuary</div>	<div style="font-size: 1.2em; margin-bottom: 5px;">5/12/2011</div> <div style="text-align: center; font-size: 0.8em;">Date</div>
	Christopher Keach <div style="text-align: center; font-size: 0.8em;">Type or print name of actuary</div>	11-06127 <div style="text-align: center; font-size: 0.8em;">Most recent enrollment number</div>
	Mercer <div style="text-align: center; font-size: 0.8em;">Firm name</div>	(212) 345-7000 <div style="text-align: center; font-size: 0.8em;">Telephone number (including area code)</div>
	1166 Avenue of the Americas New York NY 10036 <div style="text-align: center; font-size: 0.8em;">Address of the firm</div>	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	0	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	0	0
9 Amount remaining (Item 7 minus item 8)	0	0
10 Interest on item 9 using prior year's actual return of <u>(12.94)%</u>	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of <u>6.09 %</u>		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance		0
12 Reduction in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	0	0

Part III Funding percentages

14 Funding target attainment percentage	14	95.30 %
15 Adjusted funding target attainment percentage	15	95.30 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	96.51 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
11/16/2009	1,305,951				
12/10/2009	370,835				
02/12/2010	1,676,786				
05/14/2010	1,676,786				
07/30/2010	4,000,000				
Totals ▶			18(b)	9,030,358	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	8,565,036

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)	21b			4
22 Weighted average retirement age	22			65
23 Mortality table(s) (see instructions)	☐ Prescribed - combined	☒ Prescribed - separate	☐ Substitute	

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	☒ Yes	☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	5,848,111
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	0
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	5,848,111
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	0	0
36 Additional cash requirement (item 34 minus item 35)	36	5,848,111
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	8,565,036
38 Interest-adjusted excess contributions for current year (see instructions)	38	2,716,925
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Line 19 – Discounted employer contributions

Date	Amount contributed	Plan year	Applicable effective interest rate	Discounted value of August 1, 2009
11/16/2009	\$ 1,305,951	2009	7.41%	\$ 1,278,710
12/10/2009	370,835	2009	7.41%	361,412
2/12/2010	1,676,786	2009	7.41%	1,613,958
5/14/2010	1,676,786	2009	7.41%	1,585,449
7/31/2010	4,000,000	2009	7.41%	3,725,507
Total	\$ 9,030,358			\$ 8,565,036

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Line 22 – Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 65.

(A)	(B)	(C)	(D)	(F)	(E)
Age	Rates of Retirement	Assumed Age of Retirement	Lx	Number of Employees Expected to Retire	#Ret x Retirement Age
55	2.0%	55.5	10,000	200	11,100
56	2.0%	56.5	9,800	196	11,074
57	2.0%	57.5	9,604	192	11,040
58	2.0%	58.5	9,412	188	10,998
59	4.0%	59.5	9,224	369	21,956
60	4.0%	60.5	8,855	354	21,417
61	12.0%	61.5	8,501	1,020	62,730
62	12.0%	62.5	7,481	898	56,125
63	12.0%	63.5	6,583	790	50,165
64	23.0%	64.5	5,793	1,332	85,914
65	25.0%	65.5	4,461	1,115	73,033
66	16.0%	66.5	3,346	535	35,578
67	15.0%	67.5	2,811	422	28,485
68	14.0%	68.5	2,389	334	22,879
69	21.0%	69.5	2,055	432	30,024
70	100.0%	70	1,623	1,623	113,610
Total				10,000	646,128
Average					64.61
Rounded Average Retirement Age					65

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Part V– Statement of Actuarial Assumptions/Methods

Discount rate elections	Full Yield Curve with a 4 month lookback	
Mortality elections		
▪ Healthy participants	PPA generational annuitant and non-annuitant mortality tables	
▪ Disabled participants	PPA disability mortality tables	
417(e) lump sums		
▪ Annuity substitution	N/A	
▪ Phase-in option	N/A	
Cash balance plans		
Interest accumulation rate	3.50%	
Other economic assumptions		
▪ Salary increases	See Table A	
▪ Social Security wage base	N/A	
▪ Inflation	N/A	
▪ Expenses	No administrative expenses are assumed to be paid from trust.	
▪ Expected Investment Return	7.00%	
Demographic assumptions		
▪ Withdrawal	See Table B	
▪ Disability incidence	See Table C	
▪ Retirement age	See Table D	
Benefit commencement age for		
▪ Future vested deferred	Immediate	
▪ Current vested deferred		
Pre 8/1/1999 termination	65	
Post 8/1/1999 termination	Immediate	
▪ Spouse assumptions	<u>Male participants</u>	<u>Female participants</u>
Percentage married	75%	75%
Spouse age difference	3 years younger	3 years older

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Part V– Statement of Actuarial Assumptions/Methods

Form of payment	<u>Lump Sum</u>	<u>Life Annuity</u>	<u>50% J&S</u>
Active retirements	100%	0%	0%
Future vested deferred	100%	0%	0%
Future deaths	100%	0%	0%
Current vested deferred			
- Post 8/1/1999 termination	100%	0%	0%
- Pre 8/1/1999 termination	0%	50%	50%

Table of sample rates

TABLE A - SALARY SCALE	
Earnings Progression	
Attained Age	Percentage Increase at Attained Age
20	5.08%
25	4.78%
30	4.38%
35	3.88%
40	3.28%
45	2.58%
50	1.78%
55	0.88%
60	0.00%
65	0.00%

In addition to the above ultimate rates, an annual rate of economic increase of 2.50% is assumed.

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Part V– Statement of Actuarial Assumptions/Methods

Table of sample rates

**TABLE B - TABLE OF SAMPLE WITHDRAWAL
RATES**

Attained Age	Rates
	Males & Female
25	16.86%
30	13.80%
35	8.95%
40	7.70%
45	7.61%
50	6.52%
54	6.52%

The rate of termination when combined with the mortality and disability rates varies by sex and length of employment during the first five years of employment as follows:

**Rate of Separation for All Causes
During First Five Years of Service**

Years of Service	Rates
	Males & Females
0 – 1	5%
1 – 2	27%
2 – 3	20%
3 – 4	15%
4 – 5	10%

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Part V– Statement of Actuarial Assumptions/Methods

Table of sample rates

**TABLE C – TABLE OF SAMPLE
DISABILITY RATES**

Attained Age	Rates
	of Disablement
30	0.06%
35	0.10%
40	0.16%
45	0.26%
50	0.45%
55	0.85%
60	1.20%
64	1.45%

Incidence rates are based upon experience during the years 1965-1982 with class and sex differences estimated from the 1985 Society of Actuaries Disability Table Study and the 1976 New York Study.

**TABLE D - TABLE OF SAMPLE RETIREMENT
RATES**

Attained Age	Rates
55	2%
56	2%
57	2%
58	2%
59	4%
60	4%
61	12%
62	12%
63	12%
64	23%
65	25%
66	16%
67	15%
68	14%
69	21%
70	100%

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Part V– Statement of Actuarial Assumptions/Methods

Asset methods – effective August 1, 2009

We used and relied upon financial data submitted by the trustee without further audit. Customarily, this information would not be verified by a plan's actuary. We have reviewed the information for internal consistency and we have no reason to doubt its substantial accuracy.

The asset valuation method is an annual average of the adjusted market value over the last 25 months preceding the valuation date. The adjusted market value is the market value at each determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110 percent and no less than 90 percent of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods – effective August 1, 2008

We used the participant data supplied by the plan sponsor. We have reviewed the data and have no reason to doubt its substantial accuracy. Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** The plan sponsor provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date.
- **Transferred participants:** The liabilities for employees who have transferred into another plan of the plan sponsor have been included with the liabilities for terminated vested participants.

Benefits included or excluded

Unless noted below, all benefits provided by the plan are included in this valuation.

- **Plan amendments:** Amendments adopted after the valuation date or effective after the current plan year are excluded from the valuation.
- **Scheduled benefit increases:** N/A
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond their normal retirement. The plan provides for pay and interest credits until retirement age.
 - *Deferred vested participants:* Current deferred vested participants who terminated prior to 8/1/1999 who are over normal retirement age are valued including the late retirement actuarial increase. Current deferred vested participants who terminated after 8/1/1999 who are over normal retirement age receive continued interest credits.

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Part V– Statement of Actuarial Assumptions/Methods

- **Shutdown benefits:** We are not aware of any corporate actions that would create shutdown benefits; therefore, they are excluded.
- **IRC Section 415(b):** The limitations of Internal Revenue Code Section 415(b) have been incorporated into our calculations.
- **Benefit restrictions:** Benefit restrictions (if applicable) are ignored in this valuation.

Plan sponsor elections

Funding interest rate

- Full yield curve
- 4-month lookback

Valuation of lump sums based on Section 417(e) assumptions:

Not applicable

Mortality:

- PPA generational annuitant and non-annuitant mortality tables

Minimum funding method

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Part V– Summary of Plan Provisions

<i>Effective date and plan year</i>	The Plan was adopted effective July 31, 1963, and reflects all amendments adopted through the valuation date.
<i>Eligibility</i>	<p>All employees who were members of the Plan in effect on July 31, 1999, shall continue as members.</p> <p>Former employees of Gelman, acquired on February 3, 1997, entered the Plan on August 1, 1998.</p> <p>Former employees of FSG, acquired in April 2002, entered the plan on August 1, 2003.</p> <p>All other employees (excluding those who are members of a collective bargaining unit unless and until it is agreed to include such unit in the Plan, and those who are eligible to participate in any other pension plan maintained by the Company), are eligible for membership in the Plan on the first day of any Plan Year if they have completed 6 months of service and attained age 20-1/2 during the previous Plan Year.</p>
<i>Retirement Dates</i>	
<i>Normal Retirement</i>	A member's normal retirement date is the first of the month following his 65th birthday.
<i>Postponed Retirement</i>	A member may postpone his retirement beyond his normal retirement date.
<i>Early Retirement</i>	A member who has completed 5 or more Years of Service may retire at any time after attaining age 55.
<i>Disability Retirement</i>	A member who becomes totally and permanently disabled may retire and become entitled to a pension.
<i>Opening Account Balance</i>	The lump sum, actuarially equivalent value of the benefit payable at age 65 under the Plan as of July 31, 1999, determined as of August 1, 1999, using an interest rate of 6.50% and the 1983 Group Annuity Unisex Mortality Table.
<i>Eligible Compensation</i>	The total compensation received by a member for a Plan Year including overtime pay and bonuses. Eligible compensation is limited by IRC Section 401(a)(17). For 2009, this limit is \$245,000.

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Part V– Summary of Plan Provisions

Compensation Credits

Compensation Credits are added to the Cash Balance Account on the last day of the Plan Year, or at the end of the month immediately following a Participant's termination of service, if earlier. A member's compensation credit for a plan year is obtained by multiplying eligible compensation by the percentage indicated in the table below. The percentage is determined by "points", as shown in the table below, which are equal to the sum of age and years of service as of the first day of each plan year.

If "points" (age + years of service) equal:	Compensation Credit Percentage
Less than 45	2.5%
45 – 54	3.0%
55 – 64	4.0%
65 or more	5.0%

A participant who is at least age 50 with 10 years of service on August 1, 1999, is entitled to an additional compensation credit of two percent (2%) for each Plan Year beginning on or after August 1, 1999, that the participant remains an employee.

A participant who does not complete 1,000 Hours of Service in any Plan Year shall not receive a compensation credit for such Plan Year.

Interest Credits

Interest Credits are added to the Cash Balance Account on the last day of each Plan Year based on the average of the constant maturity one-year Treasury Bill rate for the month of June immediately preceding the Plan Year in which the Account is to be credited. In addition, interest on one-half of the Compensation Credits earned during the plan year is added to the account balance. Interest Credits will continue to be added to the account balance until distribution.

Cash Balance Benefit

Eligibility

Three or more years of vesting service.

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Part V– Summary of Plan Provisions

Benefit

Cash Balance Account as a lump sum or converted to an annuity as of benefit commencement date based on Compensation Credits and Interest Credits through benefit commencement date. The annuity is determined by converting the Cash Balance Account to the Actuarial Equivalent monthly retirement benefit payable in the form of a single life annuity.

The Actuarial Equivalent conversion factor is computed on the basis of the annual interest rate on the 30-year U.S. Treasury securities for the month of June most recently preceding the Plan Year for which the distribution is made and the mortality rates from the GAR 94 Mortality Table as published in Internal Revenue Service Ruling 2001-62.

The annuity benefit may commence on the first day of any month following termination of employment. The Cash Balance annuity benefit is reduced for immediate distribution based on the Plan's actuarial equivalence at the time of distribution.

Minimum Benefit:

The July 31, 1999, accrued benefit.

Disability Retirement Benefit

Eligibility

All participants who terminate employment by reason of disability as defined by the Social Security Administration – immediate vesting upon disability.

Benefit

An annuity payable for life determined by projecting the Cash Balance Account as of the date of disability with Interest Credits (not Compensation Credits) through the participant's Normal Retirement Date, with the Interest Credits for any future Plan Year based on the Interest Crediting rate in effect for the Plan Year in which the disability occurs.

The projected Cash Balance Account is then converted to an Actuarial Equivalent single life annuity benefit payable for the participant's life.

This benefit is paid to the disabled participant beginning on the first day of the month coincident with or immediately following the participant's disability until his Normal Retirement Date, or until he is no longer disabled, if earlier.

Pre-retirement Death Benefit

Eligibility

All participants, immediate vesting upon death.

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Part V– Summary of Plan Provisions

<i>Benefit</i>	For single participants and non-spouse beneficiaries, the Cash Balance Account payable as a lump sum distribution. For married participants, the Cash Balance Account payable as a lump sum distribution, the Cash Balance Account converted to a single life annuity of actuarial equivalence or the survivor annuity payable to a spouse at least equal to the amount of the qualified preretirement survivor annuity as defined in Internal Revenue Code Section 417(c).
<i>Normal Form of Payment</i>	<p>For Married Participants</p> <p>A “Qualified Joint and Survivor Annuity” that provides a reduced amount of monthly income for the life of the participant and, in the event of participant’s death, an amount of monthly income equal to 50% for the life of the surviving spouse. The Qualified Joint and Survivor Annuity is the actuarial equivalent of the Single Life Annuity otherwise payable.</p> <p>For Unmarried Participants</p> <p>A “Single Life Annuity” provides an amount of monthly income for the life of the participant.</p>
<i>Optional Forms of Payment</i>	If a participant elects to commence distribution prior to becoming eligible for early or normal retirement, only the normal forms of payment and a lump sum distribution are available. The lump sum distribution is equal to the participant’s account balance at his benefit commencement date.
<i>Vesting</i>	<p>In the event of termination of employment other than by death or retirement, a member who has completed 3 or more Years of Service will be eligible to receive his accrued pension commencing on his normal retirement date or, if he so elects, at any time after his 55th birthday in which case the pension shall be reduced in the same manner as for early retirement.</p> <p>Vesting service for former employees of Gelman are determined as of the later of February 3, 1999, or date of hire.</p>
<i>Definitions</i>	
<i>Plan Year</i>	A twelve month period ending on any July 31.
<i>Year of Service</i>	Any Plan Year in which an employee is credited with 1,000 or more Hours of Service.
<i>Hour of Service</i>	Any hour of service for which an employee is directly or indirectly compensated.
<i>Plan Provision Changes</i>	Since prior valuation maximum compensation and maximum benefits were updated from 2008 to 2009.

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Part V– Summary of Plan Provisions

Significant events

To the best of our knowledge, no events occurred during the year that would significantly affect the valuation results.

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Line 24 – Change in Actuarial Assumptions

The interest rate was changed from August 2008 PPA segment rates of 5.08%, 6.06%, and 6.55% to the full yield curve with a 4 month lookback.

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Line 25– Change in Method

Beginning with the 2009 valuation, the asset method was changed from fair market value to an annual average of the adjusted market value over the last 25 months preceding the valuation date.

The discount rate was changed from segment rates with no look back to the full yield curve with 4 month look back.

These changes are granted automatic approval by the IRS.

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Line 26 – Schedule of Active Participant Data

Age	Years of service as of August 1, 2009										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25	9	55									64
25 - 29	15	169	55	2							241
30 - 34	19	163	127	61	1						371
35 - 39	24	153	143	122	30	2					474
40 - 44	12	137	122	117	86	49	2				525
45 – 49	16	166	122	116	93	104	38	4			659
50 - 54	18	137	122	110	65	74	96	39	2		663
55 - 59	7	81	101	85	55	66	63	43	20		521
60 - 64	4	44	64	75	34	34	27	27	9	5	323
65 - 69		7	23	17	13	9	10	13		5	97
70+		1	4	5	5	3	1	1	1	1	22
TOTAL	124	1,113	883	710	382	341	237	127	32	11	3,960

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Line 26 – Schedule of Active Participant Data
Average Compensation (Amounts shown in \$)

Age	Years of service as of August 1, 2009										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25		32,702									33,491
25 - 29		38,493	34,599								37,267
30 - 34		49,338	45,979	39,035							46,160
35 - 39	55,608	64,356	52,835	61,740	65,889						59,840
40 - 44		64,939	59,442	61,438	77,966	65,283					64,730
45 – 49		70,121	64,680	58,857	75,007	80,527	75,565				69,349
50 - 54		71,663	60,294	60,192	73,423	76,421	92,255	78,674			71,234
55 - 59		58,832	62,109	56,840	71,068	66,783	76,222	110,470	68,605		68,405
60 - 64		67,656	57,742	55,608	73,877	64,307	74,992	89,197			66,168
65 - 69			58,881								69,413
70+											60,474
TOTAL	49,103	58,333	55,914	57,572	73,823	72,595	81,404	92,049	71,591		62,778

Note: Earnings shown in this matrix have been limited by IRC Section 401(a)(17) and are only shown for cells with 20 or more participants.

Attachments to Schedule SB (2009 Form 5500)

Schedule SB, Line 26 – Schedule of Active Participant Data

Average Account Balance (Amounts shown in \$)

Age	Years of service as of August 1, 2009										Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
Under 25		724									622
25 - 29		1,705	3,963								2,148
30 - 34		1,968	6,614	7,825							4,437
35 - 39		3,154	7,642	13,260	16,047						7,821
40 - 44		3,029	9,775	14,271	22,649	21,660					12,050
45 – 49		3,822	10,839	16,130	24,964	32,234	36,659				16,761
50 - 54		3,899	11,318	19,028	28,034	36,955	50,502	44,489			22,896
55 - 59		3,890	13,724	21,044	34,897	36,627	48,518	80,043	44,184		29,191
60 - 64		5,056	15,768	23,695	38,713	52,471	69,160	85,221			35,927
65 - 69			16,006								44,664
70+											57,629
TOTAL		2,973	10,077	16,846	28,350	35,825	49,601	70,642	54,210		17,898

Note: Account Balances are shown for cells with 20 or more participants.



**PALL CORPORATION
CASH BALANCE PENSION PLAN**

Financial Statements

July 31, 2010 and 2009

(With Independent Auditors' Report Thereon)

**PALL CORPORATION
CASH BALANCE PENSION PLAN**

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

Independent Auditors' Report

Plan Administrator
Pall Corporation Cash Balance Pension Plan:

We were engaged to audit the accompanying statements of net assets available for plan benefits of the Pall Corporation Cash Balance Pension Plan as of July 31, 2010 and 2009, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 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 5, which was certified by The Bank of New York Mellon, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements. 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 July 31, 2010 and 2009, 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 taken as a whole. The form and content of the information included in the financial statements, 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

May 16, 2011

PALL CORPORATION
CASH BALANCE PENSION PLAN

Statements of Net Assets Available for Plan Benefits

July 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets:		
Investment, at fair value (note 5):		
Plan interest in Pall Master Trust	\$ 95,184,876	76,646,859
Prepaid expenses	6,981	4,878
Total investments	<u>95,191,857</u>	<u>76,651,737</u>
Receivables:		
Employer contribution	—	7,445,607
Accrued interest (note 5)	292,734	237,176
Due from broker for sale of securities (note 5)	36,157	167,323
Total receivables	<u>328,891</u>	<u>7,850,106</u>
Total assets	95,520,748	84,501,843
Liabilities:		
Due to broker for purchase of securities (note 5)	4,107,236	2,178,050
Accrued expenses	69,373	144,068
Net assets available for plan benefits	<u>\$ 91,344,139</u>	<u>82,179,725</u>

See accompanying notes to financial statements.

PALL CORPORATION
CASH BALANCE PENSION PLAN

Statements of Changes in Net Assets Available for Plan Benefits

Years ended July 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Additions/(deductions) to net assets attributed to:		
Investment income/(loss) (note 5):		
Plan interest in Pall Master Trust investment income/(loss)	\$ 7,454,079	(10,456,333)
Employer contribution	<u>9,002,798</u>	<u>7,115,607</u>
Total additions/(deductions)	<u>16,456,877</u>	<u>(3,340,726)</u>
Deductions from net assets attributed to:		
Benefits paid directly to participants	6,583,419	7,521,359
Administrative expenses	<u>709,044</u>	<u>653,629</u>
Total deductions	<u>7,292,463</u>	<u>8,174,988</u>
Net increase/(decrease)	9,164,414	(11,515,714)
Net assets available for plan benefits:		
Beginning of year	<u>82,179,725</u>	<u>93,695,439</u>
End of year	<u>\$ 91,344,139</u>	<u>82,179,725</u>

See accompanying notes to financial statements.

**PALL CORPORATION
CASH BALANCE PENSION PLAN**

Notes to Financial Statements

July 31, 2010 and 2009

(1) Description of Plan

The following description of the Pall Corporation Cash Balance Pension Plan (the Plan) is provided for general information only. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

(a) General

The Plan is a defined benefit pension plan covering substantially all U.S. and Puerto Rico employees of Pall Corporation and its participating subsidiaries (the Company), other than the employees covered by a union or other retirement plan, who have at least six months of service and have attained the age 20-1/2. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The board of directors of the Company has appointed a committee (the Pension Committee), consisting of five members, to serve as plan administrator of the Plan.

The Pension Committee has established the Pall Corporation Master Trust (Master Trust), which holds the commingled assets of the Plan and the Pall Trinity Micro Pension Plan for Hourly Rated Factory Employees (PTM Plan).

Under the terms of a trust agreement between The Bank of New York Mellon and the Plan, The Bank of New York Mellon is the Trustee of the Plan.

(b) Pension Benefit

Participants are entitled to annual pension benefits beginning at normal retirement age of 65. A participant's opening balance under the cash balance formula equaled the value of the participant's accrued benefit earned under the Pall Corporation Pension Plan as of July 31, 1999. Interest at 6.5% and the GATT Mortality table were used to convert July 31, 1999 accrued benefits to account balances. The participants' pension benefits are accumulated each service year by an amount equal to a percentage of their total annual pay (pay credit). The percentage used varies from 2.5% to 5% and is dependent upon the participant's age and years of service on the first day of the Plan year. Additionally, a participant who was at least age 50 with 10 years of service on August 1, 1999 is entitled to an additional pay credit of 2% for each plan year that the participant remains an employee. Participants are also credited with interest credits on both their account balance and annual pay credit. The rate used to determine the credits are based on the average yield on one year U.S. Treasury Bills for the month of June of the preceding plan year. The rates used were 1.68% and 2.42% for the plan years ended July 31, 2010 and 2009, respectively. This computation of the final pension benefit is subject to certain limitations as more fully described in the Plan agreement.

The Plan permits early retirement at ages 55 to 64 for participants with five or more years of service. A participant who terminates with five or more years of service, for any reason other than death, is entitled to receive his/her retirement benefit on the first day of the month coinciding with or immediately following his/her termination of service. Participants with a vested pension benefit are entitled to receive benefits upon termination in the form of an annuity or a lump sum payment.

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Effective January 1, 2008, the plan offers rollovers of lump sum benefit payments from the Plan to a Roth IRA, as required under Internal Revenue Service (IRS) regulations.

(c) *Death and Disability Benefits*

If a participant dies before commencement of benefits, the designated beneficiary shall be eligible to receive the entire benefit regardless of the participant's vested status. The participant's beneficiary is entitled to receive his/her benefit payable as a lump sum or an annuity. The participant will be fully vested in his/her account balance upon death, and the participant's account will be credited with a pay credit during the year of death, if applicable.

If a participant becomes totally and permanently disabled, the participant will become fully vested in his/her account balance regardless of length of service and will continue to receive a pay credit during the year of disability. Upon becoming disabled, a participant may elect to receive his account immediately payable as a lump sum or an annuity. The benefit is calculated by taking the participant's account balance, a compensation credit for the full Plan year of his disablement and projecting with interest credits through the participant's normal retirement date.

(d) *Administrative Expenses*

Administrative expenses are paid by the Plan if not paid by the Company.

(e) *Subsequent Events*

For the plan year ended July 31, 2010, the Company has evaluated subsequent events for potential recognition and disclosure through May 16, 2011, the date of financial statement issuance. In January 2011, the company amended and restated the Plan document in accordance with the IRS regulations.

(2) *Summary of Significant 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.

(b) *Recent Accounting Standards Impacting the Plan*

In January 2010, the Financial Accounting Standards Board (FASB) issued updated guidance that amends the disclosure requirements for 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 plan year ending July 31, 2011. Effective for the plan year ending July 31, 2012, this guidance requires that in the

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reconciliation of Level 3 fair value measurements, information about purchases, sales, issuances and settlements be presented separately on a gross basis.

In September 2009, the FASB issued amended guidance expanding the required disclosures for certain investments with a reported net asset value. This guidance permits, as a practical expedient, an entity holding investments in certain entities that calculate net asset value per share or its equivalent for which the fair value is not readily determinable, to measure the fair value of such investments on the basis of that net asset value per share or its equivalent without adjustment. This guidance requires enhanced disclosures about the nature and risks of investments within its scope. Such disclosures include the nature of any restrictions on an investor's ability to redeem its investments at the measurement date, any unfunded commitments, and the investment strategies of the investee. The Plan has adopted this guidance on a prospective basis for the plan year ended July 31, 2010. See note 6, Fair Value Measurements for the required disclosures.

(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 Plan assets, liabilities, and changes therein, disclosure of contingent liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

(d) *Investment Valuation and Income Recognition*

The assets of the Plan are held in the Master Trust along with assets of the aforementioned Company-sponsored defined benefit pension plan, the PTM 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.

Investments in securities held by the Master Trust are reported at fair value. Unit values in the Master Trust represent the Master Trust's proportionate participation in the investment 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.

(e) *Actuarial Present Value of Accumulated Plan Benefits*

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service participants have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated participants or their beneficiaries, (b) beneficiaries of participants who have died, and (c) present participants or their beneficiaries.

The actuarial present value of accumulated plan benefits is determined by Mercer, the plan's actuary, as of August 1, 2009 and represents that amount that results from applying actuarial assumptions to

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adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Had the valuation been prepared as of July 31, 2009, there would be no change in actuarial present value of accumulated plan benefits. The significant actuarial assumptions used in the valuation as of July 31, 2009 were: (a) life expectancy of participants (RP2000 white collar generational table for males and females), (b) retirement age assumptions, and (c) an interest rate of 7%. The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

(f) *Payment of Benefits*

Benefits to participants or their beneficiaries are recorded upon distribution.

(g) *Risks and Uncertainties*

The Plan invests in the Master Trust which invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit 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 the amounts reported in the statement of net assets available for plan benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

(3) *Funding Policy*

The Company, to the extent it is able to do so, will annually make contributions required to satisfy the minimum funding standards prescribed under Section 412 of the Internal Revenue Code, as amended. The Company will not contribute to the trust fund any amounts which are not or may not be, deductible from income under Section 404(a) of the Internal Revenue Code, as amended. For the year ended July 31, 2009, a receivable had been recorded in the accompanying financial statements representing the minimum required contribution and the payment was made during the year ended July 31, 2010. For the year ended July 31, 2010, the minimum funding requirements have been met and there are no outstanding receivables.

It is the intention of the Company to continue the Plan indefinitely and to contribute to the trust fund such amounts as are necessary to satisfy the full actuarially computed cost of providing the pensions payable under the Plan with respect to the participants employed by the Company in accordance with generally accepted actuarial principles adopted by the Pension Committee with the advice of its actuaries. Nevertheless, the Company reserves the right to suspend such contributions from time to time, to discontinue them altogether, or to terminate the Plan in its entirety.

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(4) Plan Termination

The Company intends to continue the Plan indefinitely, but reserves the right, at any time, to terminate the Plan. If the Plan is terminated, the trust fund shall be used for defraying the reasonable expenses of the Plan and for the exclusive benefit of the participants, retired participants and their spouses and beneficiaries as of the date of such termination. The rights of all active participants and retired participants affected by such termination to benefits accrued to the date of such termination, to the extent then funded, shall be nonforfeitable. Upon the complete termination of the Plan, after payment or the provision for the payment of expenses payable out of the trust fund in connection with the liquidation and the distribution of the trust fund, the remaining assets of the Plan, upon approval of the appropriate governmental or quasi-governmental authorities, shall be converted into cash and shall be allocated to and among and paid over to participants, retired participants and their spouses and beneficiaries in accordance with Section 4044 of ERISA in complete discharge of all liabilities of the Company and the Trustee for the benefits payable under the Plan. After the complete satisfaction of all liabilities to such participants, retired participants and their spouses and beneficiaries, any balances remaining in the trust fund shall be returned to the Company.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits, and certain disability and survivors' pensions. The PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For plan terminations occurring during calendar years 2010 and 2009, that ceiling is \$4,500 per participant per month.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC.

(5) 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 following information certified by The Bank of New York Mellon, the Trustee of the Plan, as complete and accurate, except for comparing such information certified by the Trustee with information included in the Plan's financial statements.

The Plan's investments are in a Master Trust, which was established for the investment of assets of the Plan and the PTM Plan. Each plan has an undivided interest in the Master Trust, the assets of which were held by The Bank of New York Mellon, the Trustee of the Plan, except for the Endowment TEI Fund, L.P. (the Limited Partnership) assets. 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 July 31, 2010 and 2009, the Plan's interest in the net assets of the Master Trust was approximately 79.78% and 78.05%, respectively.

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Investment income of the Master Trust and certain costs relating to the Master Trust are allocated to the individual plans based upon actual balances invested by each plan.

All Master Trust amounts were certified to be complete and accurate by The Bank of New York Mellon, the Trustee of the Master Trust as of and for the years ended July 31, 2010 and 2009, with the exception of the investments in the Limited Partnership. The value of the Limited Partnership assets as of July 31, 2010 and July 31, 2009 and the activity for the years then ended was obtained directly from the Limited Partnership's third party administrator, and confirmed by the fund manager of the Limited Partnership. The Limited Partnership is a nondiversified, closed-end management investment company under the Investment Company Act of 1940, as amended.

Excluding the Plan's investment in the Limited Partnership, the Bank of New York Mellon has certified to the accuracy and completeness of the investment in net assets of the Master Trust, accrued interest, due from broker for sale of securities, and due to broker for purchase of securities at July 31, 2010 and 2009 and the investment income/(loss) for the years ended July 31, 2010 and 2009, for the Plan as summarized below:

	<u>2010</u>	<u>2009</u>
Certified by Bank of New York Mellon:		
Plan's investment in the net assets of the Master Trust	\$ 89,778,321	71,698,564
Plan's share of investment income/(loss) of the Master Trust	7,100,265	(9,616,978)
Limited partnership:		
Plan's investment in the net assets of the Master Trust	5,406,555	4,948,295
Plan's share of investment income/(loss) of the Master Trust	353,814	(839,355)

The following table presents the fair value of investments in the Master Trust as of July 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Investments at fair value:		
Corporate stocks – common	\$ 57,772,811	54,392,630
Other U.S. government and mortgage-backed securities	26,436,262	11,805,114
Corporate debt instruments	13,719,380	18,352,437
Commingled funds	14,601,587	7,309,974
Limited partnership	6,776,691	6,339,543
	<u>\$ 119,306,731</u>	<u>98,199,698</u>

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Investment income/(loss) for the Master Trust for the years ended July 31, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Certified by Bank of New York Mellon:		
Investment income/(loss):		
Net appreciation/(depreciation) in fair value of investments	\$ 6,730,981	(15,089,262)
Interest and dividend income	2,425,717	2,920,661
Total investment income/(loss)	<u>\$ 9,156,698</u>	<u>(12,168,601)</u>
Limited partnership:		
Investment income/(loss)	\$ 437,148	(1,075,322)

During the years ended July 31, 2010 and 2009, 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 \$7,168,129 and (\$16,164,584), respectively, as follows:

	<u>2010</u>	<u>2009</u>
Corporate stocks – common	\$ 4,282,715	(13,841,083)
U.S. government securities	378,222	236,767
Corporate debt instruments	2,150,081	(1,490,217)
Limited partnership	437,148	(1,075,322)
Other investments	(80,037)	5,271
	<u>\$ 7,168,129</u>	<u>(16,164,584)</u>

(6) 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.

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

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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.

The following table presents, for each of these hierarchy levels, the Master Trust investments measured at fair value as of July 31, 2010:

	July 31, 2010	Fair value measurements		
		Level 1	Level 2	Level 3
Financial assets carried at fair value:				
Equity securities	\$ 57,772,811	57,772,811	—	—
Debt securities:				
Other U.S. government and mortgage-backed	16,166,751	—	16,166,751	—
Corporate	13,719,380	—	13,719,380	—
U.S. Treasury	10,269,511	—	10,269,511	—
Other investments:				
Commingled funds	14,601,587	—	14,601,587	—
Limited partnership	6,776,691	—	—	6,776,691
Total	<u>\$ 119,306,731</u>	<u>57,772,811</u>	<u>54,757,229</u>	<u>6,776,691</u>

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

	July 31, 2009	Fair value measurements		
		Level 1	Level 2	Level 3
Financial assets carried at fair value:				
Equity securities	\$ 54,392,630	54,392,630	—	—
Debt securities:				
Other U.S. government and mortgage-backed	5,566,335	—	5,566,335	—
Corporate	18,352,437	—	18,352,437	—
U.S. Treasury (a)	6,238,779	—	6,238,779	—
Other investments:				
Commingled funds (b)	7,309,974	—	7,309,974	—
Limited partnership	6,339,543	—	—	6,339,543
Total	<u>\$ 98,199,698</u>	<u>54,392,630</u>	<u>37,467,525</u>	<u>6,339,543</u>

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- (a) The Company determined that its investments in U.S. Treasury debt securities, previously classified as Level 1 in the fair value hierarchy, should be classified as Level 2. Also, investments in commingled funds which were previously classified as Level 3 in the fair value hierarchy, should be classified as Level 2. The Company adjusted the prior period information accordingly and has concluded that the adjustment to prior period disclosure is immaterial.

The following is a reconciliation of Level 3 investment for which significant unobservable inputs were used to determine fair value during fiscal year 2010:

		Fair value measurements using significant unobservable inputs (Level 3) Limited partnership
Beginning Balance at July 31, 2009	\$	6,339,543
Actual return on plan assets:		
Assets held, end of year		437,148
Assets sold during the period		—
Purchases, sales, and settlements, net		—
Exchange rate changes		—
Ending balance at July 31, 2010	\$	<u><u>6,776,691</u></u>

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The following is a reconciliation of Level 3 investment for which significant unobservable inputs were used to determine fair value during fiscal year 2009:

	Fair value measurements using significant unobservable inputs (Level 3) <hr/> Limited partnership
Beginning Balance at July 31, 2008	\$ 7,414,888
Actual return on plan assets:	
Assets held, end of year	(1,075,345)
Assets sold during the period	—
Purchases, sales, and settlements, net	—
Exchange rate changes	—
Ending balance at July 31, 2009	\$ <u>6,339,543</u>

The Plan's investments in equity securities are valued using quoted market prices and, as such, are classified within Level 1 of the fair value hierarchy.

The fair value of the Plan's investments in debt securities, are valued utilizing third party pricing services. The pricing services use inputs to determine fair value which are derived from observable market sources including reportable trades, benchmark curves, credit spreads, broker/dealer quotes, bids, offers, and other industry and economic events. These investments are included in Level 2 of the fair value hierarchy.

The fair value of the Plan's other investments included in Level 2 of the fair value hierarchy have been reported primarily using the net asset value per share of the investment as the practical expedient for measuring fair value as permitted for these types of investments.

The fair value of the Plan's other investments included in Level 3 of the fair value hierarchy have been valued using unobservable inputs which are subject to various redemption restrictions.

(7) Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits was determined by an independent actuary as of August 1, 2009 and represents that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. Had the valuation been prepared as of July 31, 2009, there would be no change in actuarial present value of accumulated plan benefits.

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The actuarial present value of accumulated plan benefits as of July 31, 2009 is as follows:

Vested benefits:

Participants currently receiving payments	\$ 19,516,387
Other participants	77,196,921
	<u>96,713,308</u>

Nonvested benefits

249,615

Total actuarial present value of accumulated plan benefits	\$ <u><u>96,962,923</u></u>
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Changes in the actuarial present value of accumulated plan benefits are as follows:

Actuarial present value of accumulated plan benefits as of July 31, 2008	\$ 91,881,147
Increase/(decrease) during the year attributable to:	
Interest due to decrease in discount period	6,146,495
Benefits accumulated and gains and losses	6,456,640
Benefits paid	<u>(7,521,359)</u>
Actuarial present value of accumulated plan benefits as of July 31, 2009	\$ <u><u>96,962,923</u></u>

(8) Income Taxes

The IRS issued a favorable determination letter on September 15, 2008 which stated that the Plan and its underlying trust qualify under the applicable provisions of the Internal Revenue Code and therefore are exempt from Federal income taxes. Subsequent to the current plan year, the plan was amended and restated, and management has submitted an application to the IRS to obtain a new determination letter. In the opinion of the plan administrator, the Plan and its underlying trust have operated within the terms of the Plan, and remain qualified under the applicable provisions of the Internal Revenue Code. The plan administrator is not aware of any other facts or circumstances that could adversely affect the Plan's qualified tax status.

(9) Related-Party Transactions

Fees paid by the Plan to the Plan's Trustee, The Bank of New York Mellon, for the years ended July 31, 2010 and 2009 in connection with investment activities qualify as party-in-interest transactions and amounted to \$98,859 and \$66,071, respectively.