

PALL CORP  
Form DEFM14A  
June 26, 2015  
Table of Contents

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**  
**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**PALL CORPORATION**

**(Name of Registrant as Specified In Its Charter)**

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

- .. No fee required.
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
  - (1) Title of each class of securities to which transaction applies:
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  - (1) Amount Previously Paid:
  - (2) Form, Schedule or Registration Statement No.:
  - (3) Filing Party:
  - (4) Date Filed:



Table of Contents

**PALL CORPORATION**  
**25 Harbor Park Drive**  
**Port Washington, NY 11050**  
**(516) 484-5400**

June 26, 2015

Dear Shareholder:

We cordially invite you to attend a special meeting of the shareholders of Pall Corporation, a New York corporation, which we refer to as Pall, we, us or our, to be held on July 28, 2015, at 1:00 p.m. New York time, at Pall's office located at 25 Harbor Park Drive, Port Washington, NY 11050.

At the special meeting, you will be asked to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated May 12, 2015, as it may be amended from time to time, which we refer to as the merger agreement, among Pall, Danaher Corporation, a Delaware corporation, which we refer to as Danaher, and Pentagon Merger Sub, Inc., a New York corporation and an indirect wholly owned subsidiary of Danaher, which we refer to as Merger Sub. Pursuant to the terms of the merger agreement, Merger Sub will merge with and into Pall, which we refer to as the merger, with Pall continuing as the surviving corporation and becoming an indirect wholly owned subsidiary of Danaher. At the special meeting, you will also be asked to consider and vote upon a non-binding advisory proposal to approve specified compensation arrangements that will or may become payable to Pall's named executive officers and certain other matters as set forth in the shareholder notice and the accompanying proxy statement.

If the merger is consummated, you will be entitled to receive \$127.20 in cash, without interest and less any applicable withholding taxes, for each share of Pall common stock, par value \$0.10 per share, which we refer to as Pall common stock, you own.

**The receipt of cash in exchange for shares of Pall common stock in the merger will generally be a taxable transaction to U.S. holders for U.S. federal income tax purposes. See the section entitled *Proposal 1: Adoption of the Merger Agreement U.S. Federal Income Tax Consequences of the Merger* beginning on Page 61 of the accompanying proxy statement for additional information.**

The approval of the holders of two-thirds of all outstanding shares of Pall common stock is required to adopt the merger agreement, thereby approving the merger. The Pall board of directors, after considering all factors that the Pall board of directors deemed relevant, and after consultation with independent legal and financial advisors, unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Pall and its shareholders, and unanimously adopted the merger agreement and approved the transactions contemplated thereby, including the merger.

**The Pall board of directors unanimously recommends that you vote:**

**FOR the adoption of the merger agreement, thereby approving the transactions contemplated thereby, including the merger;**

**FOR the proposal to approve, by a non-binding advisory vote, the specified compensation arrangements disclosed in the accompanying proxy statement that will or may become payable to Pall's named executive officers in connection with the consummation of the merger; and**

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**Table of Contents**

**FOR the proposal to approve the adjournment of the special meeting if necessary or appropriate in the view of the Pall board of directors, including to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.**

The accompanying proxy statement provides you with detailed information about the merger agreement and the merger and provides specific information regarding the special meeting. A copy of the merger agreement is included as Annex A to the accompanying proxy statement. You can also obtain other information about Pall from documents that we have filed with the Securities and Exchange Commission. The accompanying proxy statement also describes the actions and determinations of the Pall board of directors in connection with its evaluation of the merger agreement and the merger. We urge you to read the accompanying proxy statement, including any documents incorporated by reference, and the annexes carefully and in their entirety.

**Your vote is very important to us regardless of the number of shares of Pall common stock you own. *The merger cannot be consummated unless the holders of two-thirds of all outstanding shares of Pall common stock vote in favor of the adoption of the merger agreement. If your shares of Pall common stock are held in the name of a broker, bank or other nominee, you should instruct your broker, bank or other nominee on how to vote in accordance with the voting instruction card furnished by your broker, bank or other nominee. If you fail to vote on the merger agreement or fail to instruct your broker, bank or other nominee on how to vote, the effect will be the same as a vote against the adoption of the merger agreement.*** We greatly appreciate your cooperation in voting your shares of Pall common stock. The enclosed proxy card contains instructions regarding voting. Whether or not you plan to attend the special meeting, we request that you authorize your proxy by completing and returning the enclosed proxy card. You may also submit a proxy by using a toll-free number or the Internet. We have provided instructions on the proxy card for using these convenient services. Submitting a proxy will not prevent you from voting your shares of Pall common stock in person if you subsequently choose to attend the special meeting.

If you have any questions about the special meeting or the merger after reading the accompanying proxy statement, you may contact Okapi Partners LLC, our proxy solicitor, by e-mail at [info@okapipartners.com](mailto:info@okapipartners.com). Shareholders may call the toll free number at (855) 305-0856, and banks and brokers may call (212) 297-0720, in each case to reach Okapi Partners LLC.

On behalf of the Pall board of directors, we thank you for your support of Pall and appreciate your consideration of this matter.

Lawrence D. Kingsley

Ronald L. Hoffman

*Chairman & Chief Executive Officer*

*Lead Director*

**The merger has not been approved or disapproved by the Securities and Exchange Commission or any state securities commission. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the merits or fairness of the merger or upon the adequacy or accuracy of the information contained in the accompanying proxy statement. Any representation to the contrary is a criminal offense.**

The accompanying proxy statement is dated June 26, 2015, and it and the enclosed proxy card are first being mailed to shareholders on or about June 26, 2015.

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Table of Contents

**PALL CORPORATION**

**25 Harbor Park Drive**

**Port Washington, NY 11050**

**(516) 484-5400**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**To Be Held On July 28, 2015**

To the Shareholders of Pall Corporation:

Notice is hereby given that a special meeting of the shareholders of Pall Corporation, a New York corporation, which we refer to as Pall, we, us or our, will be held on July 28, 2015, at 1:00 p.m. New York time, at Pall's office located at 25 Harbor Park Drive, Port Washington, NY 11050 for the following purposes:

1. **Adoption of the Merger Agreement.** To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of May 12, 2015, as it may be amended from time to time, which we refer to as the merger agreement, among Pall, Danaher Corporation, a Delaware corporation, which we refer to as Danaher, and Pentagon Merger Sub, Inc., a New York corporation and an indirect wholly owned subsidiary of Danaher, which we refer to as Merger Sub, pursuant to which Merger Sub will merge with and into Pall, which we refer to as the merger, with Pall continuing as the surviving corporation and becoming an indirect wholly owned subsidiary of Danaher.
2. **Advisory Vote Regarding Merger-Related Compensation.** To consider and vote upon a proposal to approve, by a non-binding advisory vote, the specified compensation arrangements disclosed in the accompanying proxy statement that will or may become payable to Pall's named executive officers in connection with the consummation of the merger, which we refer to as the advisory compensation proposal.
3. **Adjournment or Postponement of the Special Meeting.** To consider and vote upon a proposal to approve the adjournment of the special meeting if necessary or appropriate in the view of the Pall board of directors, including to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement, which we refer to as the adjournment proposal.

Only shareholders of record of Pall common stock, par value \$0.10 per share, which we refer to as Pall common stock, at the close of business on June 25, 2015, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting or any adjournments or postponements thereof.

The adoption of the merger agreement by the affirmative vote of the holders of two-thirds of all outstanding shares of Pall common stock is a condition to the consummation of the merger, and the merger cannot be consummated unless the holders of two-thirds of all outstanding shares of Pall common stock vote in favor of adoption of the merger

agreement.

Under New York law, shareholders of Pall common stock will not be entitled to appraisal, dissenters or similar rights in connection with the merger.

The approval of each of the advisory compensation proposal and the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Pall common stock that are present in person or by proxy at the special meeting and entitled to vote thereon. The vote to approve the advisory compensation proposal is advisory only and will not be binding on Pall or Danaher and is not a condition to the consummation of the merger.



**Table of Contents**

Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy card and thus ensure that your shares of Pall common stock will be represented at the special meeting if you are unable to attend. You may also submit your proxy by using a toll-free number or the Internet. We have provided instructions on the proxy card for using these convenient services. If your shares of Pall common stock are held in the name of a broker, bank or other nominee, you should instruct your broker, bank or other nominee on how you wish to vote your shares of Pall common stock in accordance with the voting instruction card furnished by your broker, bank or other nominee.

**YOUR VOTE IS VERY IMPORTANT. YOU MAY VOTE BY MAIL, THROUGH THE INTERNET, BY TELEPHONE OR BY ATTENDING THE SPECIAL MEETING AND VOTING BY BALLOT, ALL AS DESCRIBED IN THE ACCOMPANYING PROXY STATEMENT. IF YOU FAIL TO VOTE ON THE ADOPTION OF THE MERGER AGREEMENT OR FAIL TO INSTRUCT YOUR BROKER, BANK OR OTHER NOMINEE ON HOW TO VOTE, THE EFFECT WILL BE THE SAME AS A VOTE AGAINST THE ADOPTION OF THE MERGER AGREEMENT.**

**The Pall board of directors unanimously recommends that you vote:**

**FOR the adoption of the merger agreement, thereby approving the transactions contemplated thereby, including the merger;**

**FOR the proposal to approve, by a non-binding advisory vote, the specified compensation arrangements disclosed in the accompanying proxy statement that will or may become payable to Pall's named executive officers in connection with the consummation of the merger; and**

**FOR the proposal to approve the adjournment of the special meeting if necessary or appropriate in the view of the Pall board of directors, including to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.**

Please note that we intend to limit attendance at the special meeting to shareholders of record as of the record date (or their authorized representatives). If your shares of Pall common stock are held in the name of a broker, bank or other nominee, please bring to the special meeting your account statement evidencing your beneficial ownership of Pall common stock as of the record date. All shareholders should also bring photo identification. A list of shareholders entitled to vote at the special meeting will be available in our offices located at 25 Harbor Park Drive, Port Washington, NY 11050 during regular business hours for a period of at least ten days before the special meeting and at the place of the special meeting during the meeting.

The accompanying proxy statement provides a detailed description of the merger and the merger agreement. We urge you to read the accompanying proxy statement, including any documents incorporated by reference, and the annexes carefully and in their entirety. If you have any questions concerning the merger or the accompanying proxy statement of which this notice forms a part, would like additional copies of the accompanying proxy statement or need help voting your shares of Pall common stock, please contact Okapi Partners LLC, Pall's proxy solicitation firm, at:

Okapi Partners LLC

437 Madison Avenue, 28th Floor

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New York, NY 10022

Banks and Brokers, Please Call: (212) 297-0720

Shareholders and All Others, Please Call Toll-Free: (855) 305-0856

E-mail: [info@okapipartners.com](mailto:info@okapipartners.com)

By Order of the Pall Board of Directors,  
Roya Behnia

*Senior Vice President, General Counsel*

*and Corporate Secretary*

Port Washington, NY

June 26, 2015

Table of Contents

**SUMMARY VOTING INSTRUCTIONS**

**YOUR VOTE IS VERY IMPORTANT**

**Ensure that your shares of Pall common stock are voted at the special meeting by submitting your proxy or, if your shares of Pall common stock are held in the name of a broker, bank or other nominee, by contacting your broker, bank or other nominee. If you do not vote or do not instruct your broker, bank or other nominee on how you wish to vote your shares of Pall common stock, it will have the same effect as voting AGAINST the adoption of the merger agreement.**

*If your shares of Pall common stock are registered in your name:* submit your proxy as soon as possible by signing, dating and returning the enclosed proxy card in the enclosed postage-paid envelope, so that your shares of Pall common stock can be voted in favor of the proposals at the special meeting. You may also submit your proxy by using a toll-free number or the Internet. We have provided instructions on the proxy card for using these convenient services.

*If your shares of Pall common stock are registered in the name of a broker, bank or other nominee:* check the voting instruction card forwarded by your broker, bank or other nominee or contact your broker, bank or other nominee in order to obtain directions as to how to ensure that your shares of Pall common stock are voted in favor of the proposals at the special meeting.

If you need assistance in completing your proxy card or have questions regarding the special meeting, please contact Okapi Partners LLC, our proxy solicitation firm, at:

Okapi Partners LLC

437 Madison Avenue, 28th Floor

New York, NY 10022

Banks and Brokers, Please Call: (212) 297-0720

Shareholders and All Others, Please Call Toll-Free: (855) 305-0856

E-mail: [info@okapipartners.com](mailto:info@okapipartners.com)

Table of ContentsTABLE OF CONTENTS

	<b>Page</b>
<u>SUMMARY</u>	1
<u>Parties Involved in the Merger</u>	1
<u>Terms of the Merger</u>	2
<u>Expected Timing of the Merger</u>	2
<u>Merger Consideration</u>	2
<u>The Special Meeting</u>	3
<u>Treatment of Equity-Based Awards</u>	4
<u>Treatment of Stock Purchase Plans</u>	5
<u>Delisting and Deregistration of Pall Common Stock</u>	5
<u>Consequences if the Merger is Not Consummated</u>	5
<u>Recommendation of the Pall Board of Directors</u>	5
<u>Opinion of Pall's Financial Advisor</u>	6
<u>Financing of the Merger</u>	6
<u>Interests of Pall's Directors and Executive Officers in the Merger</u>	6
<u>No Solicitation by Pall of Acquisition Proposals</u>	7
<u>Changes in Board Recommendation</u>	8
<u>Conditions to Consummation of the Merger</u>	9
<u>How the Merger Agreement May Be Terminated</u>	9
<u>Effects of Termination of the Merger Agreement</u>	11
<u>Specific Performance</u>	11
<u>Regulatory Approvals</u>	11
<u>Litigation Relating to the Merger</u>	12
<u>U.S. Federal Income Tax Consequences of the Merger</u>	12
<u>Market Price of Pall Common Stock and Dividend Information</u>	12
<u>Fees and Expenses</u>	13
<u>No Appraisal Rights</u>	13
<u>Help in Answering Questions</u>	13
<u>QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER</u>	14
<u>CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION</u>	21
<u>PARTIES INVOLVED IN THE MERGER</u>	22
<u>THE SPECIAL MEETING</u>	24
<u>Date, Time and Place</u>	24
<u>Purpose of the Special Meeting</u>	24
<u>Recommendations of the Pall Board of Directors</u>	24
<u>Record Date and Voting Information</u>	25
<u>Quorum</u>	25
<u>Required Vote</u>	25
Table of Contents	12

<u>Effect of Abstentions and Broker Non-Votes</u>	26
<u>Voting by Shareholders</u>	26
<u>Revocation of Proxies</u>	27
<u>Voting by Pall's Directors and Executive Officers</u>	27
<u>Expenses of Proxy Solicitation</u>	27
<u>Householding</u>	28

**Table of Contents**

	<b>Page</b>
<u>Tabulation of Votes</u>	28
<u>Confidential Voting</u>	28
<u>Adjournments and Postponements</u>	28
<u>Attending the Special Meeting</u>	29
<u>Assistance</u>	29
<b><u>PROPOSAL 1: ADOPTION OF THE MERGER AGREEMENT</u></b>	<b>30</b>
<u>Effects of the Merger</u>	30
<u>Background of the Merger</u>	30
<u>Reasons for the Merger</u>	39
<u>Recommendation of the Pall Board of Directors</u>	42
<u>Opinion of Pall's Financial Advisor</u>	42
<u>Delisting and Deregistration of Pall Common Stock</u>	48
<u>Consequences if the Merger is Not Consummated</u>	49
<u>Financing of the Merger</u>	49
<u>Interests of Pall's Directors and Executive Officers in the Merger</u>	49
<u>Treatment of Outstanding Equity Awards</u>	49
<u>Quantification of Outstanding Equity Awards</u>	51
<u>Quantification of Pall Common Stock Consideration</u>	52
<u>Annual Short-Term Incentive Awards</u>	53
<u>Executive Officer Severance</u>	53
<u>Quantification of Potential Payments to Named Executive Officers in Connection with the Merger</u>	56
<u>Insurance and Indemnification of Directors and Executive Officers</u>	58
<u>Benefit Arrangements with the Surviving Corporation</u>	58
<u>Certain Financial Forecasts</u>	58
<u>Regulatory Approvals</u>	60
<u>Litigation Relating to the Merger</u>	61
<u>U.S. Federal Income Tax Consequences of the Merger</u>	61
<u>Information Reporting and Backup Withholding</u>	63
<u>No Appraisal Rights</u>	64
<b><u>TERMS OF THE MERGER AGREEMENT</u></b>	<b>65</b>
<u>Explanatory Note Regarding the Merger Agreement</u>	65
<u>Terms of the Merger; Merger Consideration</u>	66
<u>Closing of the Merger</u>	66
<u>Effective Time of the Merger</u>	66
<u>Certificate of Incorporation; Bylaws; Directors and Officers of the Surviving Corporation</u>	67
<u>Treatment of Equity-Based Awards</u>	67
<u>Treatment of Stock Purchase Plans</u>	68
<u>Payment of Merger Consideration; Exchange of Shares in the Merger</u>	68
<u>Lost Certificates</u>	69
<u>Closing of the Share Transfer Books</u>	70
<u>No Appraisal Rights</u>	70
<u>Representations and Warranties</u>	70
<u>Material Adverse Effect Definition</u>	72

<u>Covenants Regarding Conduct of Business by Pall Pending the Merger</u>	73
<u>Covenants Regarding Conduct of Business by Danaher and Merger Sub Pending the Merger</u>	76
<u>No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation</u>	76
<u>Obligations with Respect to the Special Meeting</u>	80

**Table of Contents**

	<b>Page</b>
<u>Consents, Approvals and Filings</u>	80
<u>Employee Benefits Matters</u>	81
<u>Directors and Officers Indemnification and Insurance</u>	82
<u>Cooperation</u>	83
<u>Shareholder Litigation</u>	84
<u>Other Covenants and Agreements</u>	84
<u>Conditions to Consummation of the Merger</u>	84
<u>Termination; Effect of Termination</u>	86
<u>Termination Fee</u>	88
<u>Fees and Expenses</u>	89
<u>Specific Performance</u>	89
<u>Third-Party Beneficiaries</u>	89
<u>Amendments; Waivers</u>	89
<u>Governing Law; Jurisdiction</u>	90
<u>PROPOSAL 2: ADVISORY VOTE ON MERGER-RELATED COMPENSATION ARRANGEMENTS</u>	91
<u>PROPOSAL 3: APPROVAL OF ADJOURNMENT OF SPECIAL MEETING</u>	92
<u>MARKET PRICE OF PALL COMMON STOCK AND DIVIDEND INFORMATION</u>	93
<u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u>	94
<u>OTHER MATTERS</u>	96
<u>FUTURE SHAREHOLDER PROPOSALS</u>	97
<u>WHERE SHAREHOLDERS CAN FIND MORE INFORMATION</u>	98
Annex A Agreement and Plan of Merger	
Annex B Opinion of Goldman, Sachs & Co.	



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**Table of Contents**

**PROXY STATEMENT**

**This proxy statement contains information related to the special meeting of shareholders of Pall to be held on July 28, 2015, at 1:00 p.m. New York time, at Pall's office located at 25 Harbor Park Drive, Port Washington, NY 11050, and at any adjournments or postponements thereof. We are furnishing this proxy statement to the shareholders of Pall as part of the solicitation of proxies by the Pall board of directors for use at the special meeting.**

**SUMMARY**

*The following summary highlights selected information found in this proxy statement and may not contain all information that may be important to you. This proxy statement contains a more detailed description of the terms described in this summary. You are urged to read carefully this entire proxy statement, its annexes (including the merger agreement) and the documents referred to or incorporated by reference in this proxy statement. We have included page references in parentheses to direct you to the appropriate place in this proxy statement for a more complete description of the topics presented in this summary. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under "Where Shareholders Can Find More Information" beginning on Page 98 of this proxy statement.*

*In this proxy statement, the terms we, us, our and Pall refer to Pall Corporation and, where appropriate, its subsidiaries. In this proxy statement, we refer to Danaher Corporation as Danaher and Pentagon Merger Sub, Inc. as Merger Sub. All references to the merger refer to the merger of Merger Sub with and into Pall with Pall surviving as an indirect wholly owned subsidiary of Danaher, and, unless otherwise indicated or as the context requires, all references to the merger agreement refer to the Agreement and Plan of Merger, dated as of May 12, 2015, as it may be amended from time to time, among Pall, Danaher and Merger Sub, a copy of which is included as Annex A to this proxy statement.*

**Parties Involved in the Merger (Page 22)**

*Pall Corporation*

Pall, a New York corporation, is a filtration, separation and purification leader providing solutions to meet the critical fluid management needs of customers across the broad spectrum of life sciences and industry. Pall works with customers to advance health, safety and environmentally responsible technologies. Pall's engineered products enable process and product innovation and minimize emissions and waste. Pall is an S&P 500 company serving customers worldwide.

Pall common stock (as defined below) is listed on the New York Stock Exchange, which we refer to as the NYSE in this proxy statement, under the symbol PLL.

Pall's principal executive offices are located at 25 Harbor Park Drive, Port Washington, NY 11050, its telephone number is (516) 484-5400 and its Internet website address is [www.pall.com](http://www.pall.com). The information provided on or accessible through Pall's Internet website is not part of this proxy statement and is not incorporated in this proxy statement by this or any other reference to its Internet website provided in this proxy statement.

*Danaher Corporation*

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Danaher, a Delaware corporation, designs, manufactures and markets professional, medical, industrial and commercial products and services, which are typically characterized by strong brand names, innovative technology and major market positions. Danaher's research and development, manufacturing, sales, distribution, service and administrative facilities are located in more than 50 countries. Danaher's business consists of five segments: test & measurement; environmental; life sciences & diagnostics; dental; and industrial technologies.

## **Table of Contents**

Danaher's common stock is listed on the NYSE under the symbol `DHR`.

Danaher's corporate office is located at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, District of Columbia 20037, its telephone number is (202) 828-0850 and its Internet website address is [www.danaher.com](http://www.danaher.com). The information provided on or accessible through Danaher's Internet website is not part of this proxy statement and is not incorporated in this proxy statement by this or any other reference to its Internet website provided in this proxy statement.

### *Pentagon Merger Sub, Inc.*

Merger Sub, an indirect wholly owned subsidiary of Danaher, is a New York corporation that was formed on May 8, 2015 for the sole purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement, including the merger. Upon the terms and subject to the conditions of the merger agreement, Merger Sub will be merged with and into Pall, with Pall surviving the merger as an indirect wholly owned subsidiary of Danaher.

The principal executive offices of Merger Sub are located at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, District of Columbia 20037, and its telephone number is (202) 828-0850.

### **Terms of the Merger (Page 66)**

The proposed transaction is the acquisition of Pall by Danaher pursuant to a merger agreement, which we refer to as the "proposed transaction" in this proxy statement. The merger agreement provides that, upon the terms and subject to the conditions set forth in the merger agreement, and in accordance with the Business Corporation Law of the State of New York, which we refer to as the "NYBCL" in this proxy statement, at the effective time of the merger, Merger Sub will be merged with and into Pall. As a result of the merger, the separate corporate existence of Merger Sub will cease, and Pall will continue as the surviving corporation of the merger and an indirect wholly owned subsidiary of Danaher. If the merger is consummated, Pall shareholders will not own any capital stock of the surviving corporation as a result of the merger. As used in this proxy statement, "surviving corporation" refers to Pall as the surviving corporation and an indirect wholly owned subsidiary of Danaher following the consummation of the merger.

### **Expected Timing of the Merger**

The parties expect to consummate the merger promptly following the adoption of the merger agreement by the affirmative vote of the holders of at least two-thirds of all outstanding shares of Pall common stock entitled to vote at the special meeting, the receipt of all required regulatory approvals specified in the merger agreement and the satisfaction or waiver of the other conditions precedent to the parties' respective obligations to consummate the merger, each as further set forth in the merger agreement, a copy of which is included as Annex A to this proxy statement.

Pall currently anticipates that the merger will be consummated by the end of calendar year 2015. As noted in the above paragraph, however, consummation of the merger is subject to various conditions, and it is possible that factors outside the control of Pall and/or Danaher could result in the merger being consummated at a later time, or not at all.

### **Merger Consideration (Page 66)**

At the effective time of the merger, on the terms and subject to the conditions set forth in the merger agreement, each share of Pall common stock, par value \$0.10 per share, which we refer to as "Pall common stock" in this proxy

statement, issued and outstanding immediately prior to the effective time of the merger, other than shares held in the treasury of Pall or owned by Pall, Danaher or any of their respective direct or indirect, wholly owned subsidiaries, will be converted into the right to receive \$127.20 in cash, without interest and subject to any applicable withholding taxes, which we refer to as the merger consideration in this proxy statement. Additionally, each share of common stock, par value \$0.01 per share, of Merger Sub that is issued and outstanding immediately prior to the effective time of the merger, will be converted into one fully paid and non-assessable share of common stock, par value \$0.01 per share, of the surviving corporation.

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**Table of Contents**

**The Special Meeting (Page 24)**

*Date, Time and Place.* The special meeting will be held on July 28, 2015, at 1:00 p.m. New York time, at Pall's office located at 25 Harbor Park Drive, Port Washington, NY 11050.

*Purpose of the Special Meeting.* At the special meeting, you will be asked: (1) to consider and vote upon a proposal to adopt the merger agreement, thereby approving the transactions contemplated thereby, including the merger; (2) to consider and vote upon a proposal to approve, by a non-binding advisory vote, the specified compensation arrangements disclosed in this proxy statement that will or may become payable to Pall's named executive officers in connection with the consummation of the merger (this proposal being referred to as the advisory compensation proposal in this proxy statement); and (3) to consider and vote upon a proposal to approve the adjournment of the special meeting if necessary or appropriate in the view of the Pall board of directors, including to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement (this proposal being referred to as the adjournment proposal in this proxy statement).

*Record Date and Voting Information.* Only shareholders who hold shares of Pall common stock at the close of business on June 25, 2015, the record date for the special meeting, will be entitled to vote at the special meeting. Each share of Pall common stock outstanding on the record date will be entitled to one vote on each matter submitted to shareholders for adoption or approval, as the case may be, at the special meeting.

*Quorum.* The presence in person or by proxy of a majority of the shares of Pall common stock entitled to vote at the meeting is necessary and sufficient to constitute a quorum for the transaction of any business at the special meeting. Accordingly, 53,424,094 shares of Pall common stock must be represented in person or by proxy by shareholders entitled to vote to constitute a quorum for the special meeting. As of the record date for the special meeting, there were 106,848,187 shares of Pall common stock outstanding and entitled to vote at the special meeting.

*Required Vote.* Adoption of the merger agreement requires the affirmative vote of the holders of two-thirds of all outstanding shares of Pall common stock entitled to vote at the special meeting. Approval of each of the advisory compensation proposal and the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Pall common stock that are present in person or by proxy at the special meeting and entitled to vote on the proposal.

*Voting by Pall's Directors and Officers.* As of June 25, 2015, the record date for the special meeting, our directors and executive officers beneficially owned and are entitled to vote, in the aggregate, 151,875 shares of Pall common stock, representing less than 1% of the outstanding shares of Pall common stock as of the record date.

*Voting and Proxies.* Any shareholder of record entitled to vote may submit a proxy by returning a signed proxy card by mail, through the Internet or by telephone or may vote in person by appearing at the special meeting. If you are a beneficial owner and hold your shares of Pall common stock in the name of a broker, bank or other nominee, you should instruct your broker, bank or other nominee on how you wish to vote your shares of Pall common stock in accordance with the voting instruction card furnished by your broker, bank or other nominee. The broker, bank or other nominee cannot vote on these proposals without your instructions. Therefore, it is important that you cast your vote or instruct your broker, bank or nominee on how you wish to vote your shares of Pall common stock. If your shares of Pall common stock are held in the name of a broker, bank or other nominee and wish to vote in person by ballot at the special meeting, you must provide a legal proxy from your bank, broker or other nominee.

*Effect of Abstentions and Broker Non-Votes on Voting.* Abstentions and shares of Pall common stock not represented at the special meeting and not voted in person or by proxy at the special meeting will have the same effect as a vote

**AGAINST** the proposal to adopt the merger agreement. Abstentions and shares of Pall common stock not represented at the special meeting and not voted in person or by proxy at the special meeting

**Table of Contents**

will have no effect on the advisory compensation proposal. Abstentions and shares of Pall common stock not represented at the special meeting and not voted in person or by proxy at the special meeting will have no effect on, if necessary or appropriate, the adjournment proposal. If you hold your shares of Pall common stock in the name of a broker, bank or other nominee, such broker, bank or other nominee may vote your shares of Pall common stock on the adoption of the merger agreement, the advisory compensation proposal and, if necessary or appropriate, the adjournment proposal only if you provide instructions on how to vote, and your failure to provide instructions will result in your shares of Pall common stock not being present at the meeting and not being voted on those proposals. It is very important that ALL of our shareholders vote their shares of Pall common stock, so, in the case of shareholders of record, please promptly complete and return the enclosed proxy card or submit your proxy by telephone or via the Internet, and in the case of beneficial owners that hold their shares of Pall common stock in the name of a broker, bank or other nominee, please instruct your broker, bank or other nominee on how you wish to vote your shares of Pall common stock.

**Treatment of Equity-Based Awards (Page 67)**

*Cancellation and Cash-Out of Certain Equity-Based Awards*

At the effective time of the merger:

each option to purchase shares of Pall common stock that is outstanding and unexercised (whether or not vested or exercisable) as of immediately prior to the effective time of the merger will become fully vested and exercisable as of the effective time of the merger and will be cancelled and converted into the right to receive an amount in cash, without interest, from the surviving corporation equal to the excess, if any, of \$127.20 over the applicable per-share exercise price of such option (less any applicable withholding or other taxes, or other amounts required to be withheld);

each award under the Pall Management Stock Purchase Plan (whether vested or unvested) that is outstanding as of immediately prior to the effective time of the merger will become fully vested as of the effective time of the merger and will be cancelled and converted into the right to receive an amount in cash, without interest, from the surviving corporation equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld);

each Pall time-based restricted stock unit that is outstanding as of immediately prior to the effective time of the merger and that is vested in accordance with its terms as of immediately prior to the effective time of the merger or becomes vested in accordance with its terms solely as a result of the consummation of the transactions contemplated by the merger agreement will be cancelled and converted into the right to receive an amount in cash, without interest, from the surviving corporation equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld); and

each Pall performance-based restricted stock unit that is outstanding as of immediately prior to the effective time of the merger (whether or not vested) will become fully vested and deemed earned as of the effective time of the merger and will be cancelled and converted into

the right to receive an amount in cash, without interest, from the surviving corporation equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld); provided that the number of Pall performance-based restricted stock units that will be deemed earned for this purpose will be equal to the greater of (A) the target number of performance-based restricted stock units as specified in the applicable award agreement or (B) the number of performance-based restricted stock units that would have been earned by applying the performance criteria specified in the applicable award agreement to Pall's actual performance from the beginning of the performance period (as specified in the applicable award agreement) to the effective time of the merger.

*Rollover of Certain Equity-Based Awards*

Each Pall time-based restricted stock unit that is unvested and outstanding immediately prior to the effective time of the merger, which we refer to as the rollover awards in this proxy statement, will be automatically assumed by Danaher at the effective time of the merger and will continue to have, and be subject to, the same



## **Table of Contents**

terms and conditions as were applicable to each rollover award immediately prior to the effective time of the merger, except that each rollover award will relate to that number of shares of Danaher common stock, par value \$0.01 per share (which we refer to as Danaher common stock in this proxy statement), (rounded to the nearest whole share) equal to the product of (A) the number of shares of Pall common stock that were issuable upon the vesting of such rollover award immediately prior to the effective time of the merger and (B) the ratio calculated by dividing \$127.20 by the average of the closing prices of Danaher common stock on the NYSE for the ten trading days immediately preceding the date on which the closing occurs.

### **Treatment of Stock Purchase Plans (Page 68)**

#### *Pall Employee Stock Purchase Plan*

With respect to the Pall Employee Stock Purchase Plan and each award granted thereunder, participation in the plan will be limited to those individuals who are participants in the plan as of May 12, 2015 (and who may not increase their payroll deductions or purchase elections from those in effect on such date) and no new offering period shall commence on or after May 12, 2015. The plan will be terminated effective upon the earliest of the change in control exercise date (as defined in the section entitled *Terms of the Merger Agreement Treatment of Stock Purchase Plans* beginning on Page 68 of this proxy statement), the end of the offering period in effect as of May 12, 2015 and the closing of the merger.

#### *Pall Management Stock Purchase Plan*

The Pall Management Stock Purchase Plan will be terminated and of no further force or effect as of the closing date of the merger.

### **Delisting and Deregistration of Pall Common Stock (Page 48)**

Pall common stock is registered as a class of equity securities under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act in this proxy statement, and is quoted on the NYSE under the symbol PLL. As a result of the merger, Pall will become an indirect wholly owned subsidiary of Danaher. After the effective time of the merger, shares of Pall common stock will cease to be traded on the NYSE, and price quotations with respect to sales of shares of Pall common stock in the public market will no longer be available. In addition, Pall will no longer be required to file periodic reports with the Securities and Exchange Commission, which we refer to as the SEC in this proxy statement, after the effective time of the merger with respect to shares of Pall common stock.

### **Consequences if the Merger is Not Consummated (Page 49)**

If the merger agreement is not adopted by the shareholders or if the merger is not consummated for any other reason, shareholders will not receive any payment for their shares of Pall common stock in connection with the merger. Instead, shares of Pall common stock will continue to be listed and traded on the NYSE. In certain circumstances, we may be required to pay a termination fee, or we or Danaher may seek damages or other remedies, in each case, as described under the section entitled *Terms of the Merger Agreement Termination; Effect of Termination* and *Terms of the Merger Agreement Termination Fee* beginning on Page 86 and Page 88, respectively, of this proxy statement.

### **Recommendation of the Pall Board of Directors (Page 42)**

The Pall board of directors, after considering all factors that the Pall board of directors deemed relevant and after consulting with independent legal and financial advisors, unanimously determined that the merger agreement and the

transactions contemplated thereby, including the merger, are fair to and in the best interests of Pall and its shareholders, and unanimously adopted the merger agreement and approved the transactions contemplated thereby, including the merger. Certain factors considered by the Pall board of directors in reaching its decision to adopt the merger agreement and approve the transactions contemplated thereby, including the merger, can be found in the section entitled *Proposal 1: Adoption of the Merger Agreement Reasons for the Merger* beginning on Page 39 of this proxy statement.

**Table of Contents**

**The Pall board of directors unanimously recommends that Pall shareholders vote:**

**FOR the adoption of the merger agreement, thereby approving the transactions contemplated thereby, including the merger;**

**FOR the proposal to approve, by a non-binding advisory vote, the specified compensation arrangements disclosed in this proxy statement that will or may become payable to Pall's named executive officers in connection with the consummation of the merger; and**

**FOR the proposal to approve the adjournment of the special meeting if necessary or appropriate in the view of the Pall board of directors, including to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.**

**Opinion of Pall's Financial Advisor (Page 42 and Annex B)**

At a meeting of the Pall board of directors held on May 12, 2015, Goldman Sachs & Co., which we refer to as Goldman Sachs in this proxy statement, financial advisor to Pall, rendered its oral opinion to the Pall board of directors, subsequently confirmed in writing, to the effect that, as of May 12, 2015, and based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the \$127.20 in cash per share of Pall common stock to be paid to the holders of shares of Pall common stock pursuant to the merger agreement was fair from a financial point of view to those holders.

**The full text of the written opinion of Goldman Sachs, dated May 12, 2015, which sets forth the assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached to this proxy statement as Annex B. The summary of the Goldman Sachs opinion contained in this proxy statement is qualified in its entirety by reference to the full text of Goldman Sachs' written opinion. Goldman Sachs' advisory services and opinion were provided for the information and assistance of the Pall board of directors in connection with its consideration of the proposed merger, and such opinion does not constitute a recommendation as to how any holder of shares of Pall common stock should vote with respect to the merger or any other matter.**

**Financing of the Merger (Page 49)**

Danaher expects to finance the merger primarily with available cash and proceeds from the issuance of debt or new credit facilities. The consummation of the merger is not conditioned on Danaher's receipt of financing. See *Proposal 1: Adoption of the Merger Agreement Financing of the Merger* beginning on Page 49 of this proxy statement for additional information with respect to the financing of the merger.

**Interests of Pall's Directors and Executive Officers in the Merger (Page 49)**

In considering the recommendation of the Pall board of directors that Pall shareholders adopt the merger agreement and thereby approve the merger, Pall shareholders should be aware that the directors and executive officers of Pall have certain interests in the merger that may be different from, or in addition to, those of Pall shareholders generally. These interests are described in more detail in the section entitled *Proposal 1: Adoption of the Merger Agreement Interests of Pall's Directors and Executive Officers in the Merger* beginning on Page 49 of this proxy

statement. The Pall board of directors was aware of these interests and considered them, among other matters, in evaluating the merger agreement, in reaching its decision to adopt the merger agreement, and in recommending to Pall shareholders that the merger agreement be adopted. These interests include the following, among others:

At the effective time of the merger, each outstanding option to purchase shares of Pall common stock held by a director or executive officer (whether or not vested or exercisable) will be canceled in exchange for the right to receive an amount in cash equal to the product of \$127.20 over the exercise price of such option, multiplied by the number of shares of Pall common stock issuable upon exercise of the option (less any applicable withholding or other taxes, or other amounts required to be withheld).

**Table of Contents**

At the effective time of the merger, each award under the Pall Management Stock Purchase Plan (whether vested or unvested) that is outstanding as of immediately prior to the effective time of the merger will become fully vested and will be cancelled in exchange for the right to receive an amount in cash equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld).

At the effective time of the merger, each Pall performance-based restricted stock unit that is outstanding immediately prior to the effective time of the merger will become fully vested and will be deemed earned at the greater of (A) the target number of performance stock units subject to the award and (B) the number of performance stock units that would have been earned based on Pall's actual performance from the beginning of the relevant performance period through the effective time of the merger. Each performance-based restricted stock unit that is deemed earned will be canceled at the effective time of the merger in exchange for the right to receive an amount in cash equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld).

At the effective time of the merger, each Pall time-based restricted stock unit that is outstanding as of immediately prior to the effective time of the merger and that is vested in accordance with its terms as of immediately prior to the effective time of the merger or becomes vested in accordance with its terms solely as a result of the consummation of the merger will be canceled in exchange for the right to receive an amount in cash equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld).

At the effective time of the merger, each rollover award will be automatically assumed by Danaher and will continue to have, and be subject to, the same terms and conditions as were applicable to such rollover award immediately prior to the effective time of the merger, except that each rollover award will relate to that number of shares of Danaher common stock (rounded to the nearest whole share) equal to the product of (A) the number of shares of Pall common stock that were issuable upon the vesting of such rollover award immediately prior to the effective time of the merger and (B) the ratio calculated by dividing \$127.20 by the average of the closing prices of Danaher common stock on the NYSE for the ten trading days immediately preceding the date on which the closing occurs.

For purposes of Pall's annual short-term cash incentive awards, any cash incentive performance period in effect as of the closing date of the merger and scheduled to end after December 31 of the year in which the closing date of the merger occurs shall end on December 31 of such year, and any applicable payment will be made subject to appropriate adjustment and pro-ration.

Certain executive officers are entitled to receive enhanced severance payments under their employment agreements with Pall upon certain qualifying terminations of employment during a specified period following the closing of the merger.

**No Solicitation by Pall of Acquisition Proposals (Page 76)**

In the merger agreement, subject to certain exceptions, Pall has agreed that it will not (and will cause its subsidiaries not to and will instruct and use its reasonable best efforts to cause other representatives of Pall not to), directly or indirectly:

solicit or initiate any inquiries or the implementation or submission of any acquisition proposal, or any proposals or offers that would be reasonably expected to lead to an acquisition proposal (as defined in the section entitled *Terms of the Merger Agreement No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation* beginning on Page 76 of this proxy statement);

engage in, continue or otherwise participate in any discussions or negotiations regarding, or furnish to any person any non-public information in connection with, or for the purpose of facilitating, any inquiries, proposals or offers that constitute, or would be reasonably expected to lead to, an acquisition proposal (except to notify such person of the existence of the no-solicitation provision contained in the merger agreement);

**Table of Contents**

otherwise knowingly facilitate any effort or attempt to make an acquisition proposal, or any inquiries, proposals or offers that would reasonably be expected to lead to an acquisition proposal; or

execute or enter into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, option or other similar agreement (other than an acceptable confidentiality agreement entered into in accordance with the merger agreement as further described in the section entitled *Terms of the Merger Agreement No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation* beginning on Page 76 of this proxy statement) regarding, or that is intended to result in, or would reasonably be expected to lead to, any acquisition proposal.

Additionally, prior to the date that the Pall shareholders adopt the merger agreement, nothing in the no-solicitation provision in the merger agreement will prevent Pall or its board of directors from furnishing information to, or engaging in negotiations or discussions with, any person that made a bona fide acquisition proposal that did not result in any material respect from a breach (or deemed breach) of the no-solicitation provision contained in the merger agreement, if, and only if, prior to taking such action: (i) the Pall board of directors determines in good faith (A) after consultation with its advisors, that such acquisition proposal is, or could reasonably be expected to result in, a superior proposal (as defined in the section entitled *Terms of the Merger Agreement No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation* beginning on Page 76 of this proxy statement) and (B) after consultation with outside legal counsel, that its failure to take such actions would be reasonably likely to be inconsistent with its fiduciary duties under applicable law; (ii) Pall provides written notice to Danaher of such good faith determinations of the Pall board of directors; and (iii) Pall receives an acceptable confidentiality agreement, which agreement will be promptly delivered to Danaher, from the person making such proposal. For a further discussion of the limitations on solicitation of acquisition proposals, and exceptions to such limitations, see the section entitled *Terms of the Merger Agreement No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation* beginning on Page 76 of this proxy statement.

**Changes in Board Recommendation (Page 76)**

Under the merger agreement, subject to certain exceptions, the Pall board of directors has agreed to recommend that the Pall shareholders vote in favor of the adoption of the merger agreement, and Pall has agreed that neither it nor the Pall board of directors will, and neither will publicly propose to, (i) withhold, withdraw or modify, in a manner adverse to Danaher or Merger Sub, the recommendation that the Pall shareholders adopt the merger agreement, (ii) approve or recommend any acquisition proposal, or (iii) refrain from recommending against (and refrain from reaffirming the recommendation that the Pall shareholders adopt the merger agreement) any acquisition proposal that is a tender offer or exchange offer within ten business days after the commencement of such offer. The actions described in any of the foregoing clauses (i), (ii) or (iii) are referred to in this proxy statement as an adverse recommendation change.

Prior to the receipt of the affirmative vote of the holders of at least two-thirds of all outstanding shares of Pall common stock to adopt the merger agreement, the Pall board of directors may effect an adverse recommendation change in the following two circumstances:

if Pall receives an unsolicited, written acquisition proposal that the Pall board of directors determines in good faith (after consultation with its advisors) is a superior proposal (as defined in the section entitled *Terms of the Merger Agreement No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation* beginning on Page 76 of this proxy statement) and determines in good faith (after

consultation with outside legal counsel) that its failure to make an adverse recommendation change would be reasonably likely to be inconsistent with its fiduciary duties under applicable law; or

if an intervening event (as defined in the section entitled *Terms of the Merger Agreement No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation* beginning on



## **Table of Contents**

Page 76 of this proxy statement) occurs and as a result thereof the Pall board of directors determines in good faith (after consultation with outside legal counsel) that the failure to make an adverse recommendation change would be reasonably likely to be inconsistent with its fiduciary duties under applicable law.

Pall's ability to effect an adverse recommendation change is further subject to Pall's compliance with certain notice and other requirements set forth in the merger agreement. For a further discussion of the limitations on effecting an adverse recommendation change, see the section entitled *Terms of the Merger Agreement No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation* beginning on Page 76 of this proxy statement.

## **Conditions to Consummation of the Merger (Page 84)**

As more fully described in the section entitled *Terms of the Merger Agreement Conditions to Consummation of the Merger* beginning on Page 84 of this proxy statement, each party's obligation to consummate the merger is subject to the satisfaction or written waiver (where permissible) of the following conditions:

the adoption of the merger agreement by the affirmative vote of the holders of at least two-thirds of all outstanding shares of Pall common stock entitled to vote at the special meeting;

the absence of any decision, injunction, decree, ruling, law or order (whether temporary, preliminary or permanent) enacted, issued, promulgated, enforced or entered by a governmental authority of competent jurisdiction that is in effect and enjoins or otherwise prohibits or makes illegal the consummation of the merger;

the expiration or termination of any waiting period (and any extension thereof) applicable to the consummation of the merger under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder, which we refer to as the HSR Act in this proxy statement, and the obtaining of all consents, approvals, non-disapprovals and other authorizations of certain other governmental authorities set forth in the confidential disclosure schedule delivered by Pall with the merger agreement;

the truth and accuracy of certain representations and warranties made by the other party in the merger agreement, except, in some cases, for inaccuracies that do not, individually or in the aggregate, constitute a material adverse effect or are not material;

the other party's performance or compliance in all material respects with all agreements and covenants required by the merger agreement on or prior to the effective time of the merger; and

each party having received a certificate signed by an executive officer of the other party certifying as to the satisfaction of the conditions to the obligations of such other party.

## **How the Merger Agreement May Be Terminated (Page 86)**

The merger agreement may be terminated in the following ways:

by mutual written consent of Pall and Danaher;

by either Pall or Danaher if:

the merger has not been consummated on or before February 12, 2016, which we refer to as the "outside date" in this proxy statement, provided that if the conditions regarding (i) the absence of any order by a governmental authority of competent jurisdiction or (ii) regulatory approvals of governmental authorities, in either case, are not satisfied or waived despite all other conditions being satisfied or waived (or capable of being satisfied) as of such date, then the outside date is automatically extended to May 12, 2016; provided that this right to terminate the merger agreement is not available to any party whose failure to fulfill any agreements and covenants under the merger agreement has been the principal cause of, or resulted in, the failure of the effective time of the merger to occur on or before such date;

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**Table of Contents**

any governmental authority of competent jurisdiction has enacted, issued, promulgated, enforced or entered any decision, injunction, decree, ruling, law or order permanently enjoining or otherwise prohibiting or making illegal the consummation of the merger and such decision, injunction, decree, ruling, law or order has become final and non-appealable, or if there is adopted following the date of the merger agreement any law that makes consummation of the merger illegal or otherwise prohibited; provided, however, that the party seeking to terminate the merger agreement pursuant to this termination right must have fulfilled its obligations to remove any impediment imposed by antitrust laws; or

the Pall shareholders fail to adopt the merger agreement by the affirmative vote of the holders of at least two-thirds of all outstanding shares of Pall common stock at the meeting of Pall shareholders called and convened for that purpose (or any postponement or adjournment of such meeting).

by Danaher if:

the Pall board of directors (A) effects an adverse recommendation change (as described in the section entitled *Terms of the Merger Agreement No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation* beginning on Page 76 of this proxy statement), (B) fails to include, in this proxy statement, its recommendation that the Pall shareholders adopt the merger agreement or (C) at any time after the public announcement of an acquisition proposal (other than pursuant to a commenced tender or exchange offer), fails to reaffirm its recommendation that the Pall shareholders adopt the merger agreement within five business days of its receipt of any written request by Danaher to do so;

Pall or any of its subsidiaries enters into any letter of intent, memorandum of understanding, agreement in principle, acquisition agreement, merger agreement, option or other similar agreement (other than an acceptable confidentiality agreement under the terms of the merger agreement as described in the section entitled *Terms of the Merger Agreement No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation* beginning on Page 76 of this proxy statement) regarding, intended to result in or that would be reasonably expected to lead to, any acquisition proposal; or

Pall has breached any of its representations or warranties, or failed to perform any of its covenants or agreements set forth in the merger agreement, which breach or failure to perform (i) would give rise to the failure of certain related closing conditions and (ii) is incapable of being cured by the outside date (except Danaher may not exercise this termination right if it or Merger Sub is then in material breach of any of its representations, warranties, covenants or agreements under the merger agreement).

by Pall if:

at any time prior to the time at which Pall receives its shareholders' adoption of the merger agreement by the affirmative vote of the holders of at least two-thirds of all outstanding shares of Pall common

stock, the Pall board of directors determines to enter into a definitive agreement with respect to a superior proposal in accordance with the no-solicitation provisions of the merger agreement (as discussed in *Terms of the Merger Agreement No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation* beginning on Page 76 of this proxy statement); or

Danaher or Merger Sub has breached any of its representations or warranties, or failed to perform any of its covenants or agreements set forth in the merger agreement, which breach or failure to perform (i) would give rise to the failure of certain related closing conditions and (ii) is incapable of being cured by the outside date (except Pall may not exercise this termination right if it is then in material breach of any of its representations, warranties, covenants or agreements under the merger agreement).

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**Table of Contents**

See the section entitled *Terms of the Merger Agreement Termination; Effect of Termination* beginning on Page 86 of this proxy statement.

**Effects of Termination of the Merger Agreement (Page 86)**

If the merger agreement is validly terminated, the merger agreement will become void and of no further force or effect, and there will be no liability or obligation on the part of Pall, Danaher or Merger Sub, except for the confidentiality provisions, provisions relating to the effect of termination (including the termination fee described in the following paragraph) and certain other specified general provisions of the merger agreement, each of which will survive the termination of the merger agreement. Pall, Danaher and Merger Sub further agreed that nothing in the merger agreement, including the termination of the merger agreement, will relieve Pall, Danaher or Merger Sub from liability for any intentional breach (as defined in the section entitled *Terms of the Merger Agreement Termination; Effect of Termination* beginning on Page 86 of this proxy statement) of the merger agreement prior to the date of its termination, in which case the aggrieved party will be entitled to all rights and remedies available at law or in equity, including liability for damages determined taking into account all relevant factors, including the loss of the benefit of the transactions contemplated by the merger agreement, any lost shareholder premium, any lost synergies, the time value of money, and any benefit to the breaching party or its shareholders arising from such intentional breach.

Under the merger agreement, Pall is required to pay Danaher a termination fee of \$423,194,400 in cash, which we refer to as the *termination fee* in this proxy statement, if the merger agreement is terminated (or at the time of termination by Pall, could have been terminated by Danaher) under the circumstances set forth in the merger agreement, which are specified in the section entitled *Terms of the Merger Agreement Termination Fee* beginning on Page 88 of this proxy statement. In no event will Pall be required to pay the termination fee in connection with the termination of the merger agreement more than once. Pall, Danaher and Merger Sub have agreed that the payment of the termination fee, in accordance with the terms of the merger agreement, to Danaher will be Danaher's sole and exclusive remedy for any loss it or Merger Sub suffers as a result of the failure of the transactions contemplated by the merger agreement to be consummated, except that there is no limit to liability for any losses resulting from an intentional breach, as such term is defined in the section entitled *Terms of the Merger Agreement Termination; Effect of Termination*, beginning on Page 86 of this proxy statement.

**Specific Performance (Page 89)**

Pall, Danaher and Merger Sub have agreed that Pall, Danaher and Merger Sub will be entitled, without the requirement for posting bond, to an order of specific performance to enforce the performance of any covenant or obligation contained in the merger agreement and an injunction restraining a breach or threatened breach of the merger agreement; provided that Pall, Danaher and Merger Sub agreed that neither Pall nor Danaher will be entitled to enforce specifically the obligations of the other unless each of their respective conditions to the consummation of the merger have been satisfied or, in the case of the obligations of the other, waived in writing by the other. To the extent a party initiates a proceeding seeking specific performance past the outside date, the outside date will be automatically extended until the proceeding is finally resolved.

**Regulatory Approvals (Page 60)**

*Antitrust Filings*

Pall and Danaher have agreed to use their reasonable best efforts to take all actions that are necessary, proper or advisable in order to obtain all approvals required by law to consummate the transactions contemplated by the merger agreement. Additionally, Danaher has agreed to use its best efforts to take any and all steps necessary to avoid or

eliminate each and every impediment to the consummation of the transactions under any applicable antitrust, competition or trade regulation law, which we refer to as antitrust laws in this proxy statement, including, if needed, selling, licensing, or otherwise disposing of its own or Pall's assets in order to obtain the necessary regulatory approvals, provided that any such concession is conditioned on the closing of the merger.

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**Table of Contents**

Under the HSR Act and the rules and regulations promulgated thereunder, the merger may not be consummated until Pall and Danaher have filed notification and report forms with the Antitrust Division of the United States Department of Justice, which we refer to as the Antitrust Division in this proxy statement, and the Federal Trade Commission, which we refer to as the FTC in this proxy statement, and the applicable waiting period has subsequently expired or been terminated. The required notification and report forms under the HSR Act were filed with the Antitrust Division and the FTC by Pall and Danaher on May 27, 2015, and on June 23, 2015, Pall received notice from the FTC that early termination of the applicable waiting period had been granted; as such, the condition to the closing of the merger related to the HSR Act has been satisfied.

Additionally, Pall, Danaher and Merger Sub have agreed to make, or cause to be made, antitrust filings with the European Commission, the Ministry of Commerce of the People's Republic of China and certain other foreign jurisdictions. Pall, Danaher and Merger Sub have started the notification process with all of the relevant competition authorities.

Although we do not expect these or any other regulatory authorities to raise any significant concerns in connection with their review of the merger, Pall and Danaher cannot assure you that all of the regulatory approvals described above will be obtained and, if obtained, Pall and Danaher cannot assure you as to the timing of any approvals, the ability to obtain the approvals or the absence of any litigation challenging such approvals.

**Litigation Relating to the Merger (Page 61)**

In connection with the merger, purported Pall shareholders have filed a consolidated shareholder class action lawsuit against Pall, the members of the Pall board of directors, Danaher and Merger Sub. Among other remedies, the plaintiffs seek to enjoin the merger. The defendants believe that each of the claims are without merit.

The outcome of the case is uncertain. If the case is not resolved, the lawsuit could prevent or delay consummation of the merger and result in substantial costs to Pall, including any costs associated with the indemnification of directors. Additional plaintiffs may file additional lawsuits against Pall and/or the directors and officers of Pall in connection with the merger.

**U.S. Federal Income Tax Consequences of the Merger (Page 61)**

The receipt of cash for shares of Pall common stock in the merger will be a taxable transaction for U.S. federal income tax purposes. For U.S. federal income tax purposes, if you are a U.S. holder (as defined in the section entitled *Proposal 1: Adoption of the Merger Agreement U.S. Federal Income Tax Consequences of the Merger* beginning on Page 61 of this proxy statement), you will recognize gain or loss equal to the difference, if any, between the amount of cash you receive pursuant to the merger and your adjusted tax basis in the shares of Pall common stock exchanged pursuant to the merger. If you are a non-U.S. holder (defined in the section of this proxy statement entitled *Proposal 1: Adoption of the Merger Agreement U.S. Federal Income Tax Consequences of the Merger* beginning on Page 61 of this proxy statement), the receipt of cash pursuant to the merger will generally not be a taxable transaction to you under U.S. federal income tax laws unless you have certain connections to the United States, and you are encouraged to seek tax advice regarding such matters. You should read the section entitled *Proposal 1: Adoption of the Merger Agreement U.S. Federal Income Tax Consequences of the Merger* beginning on Page 61 of this proxy statement and consult your own tax advisors regarding the U.S. federal income tax consequences of the merger to you in light of your particular circumstances, as well as tax consequences arising under any state, local or foreign tax laws.

**Market Price of Pall Common Stock and Dividend Information (Page 93)**

Pall common stock is listed on the NYSE under the trading symbol PLL . The closing price of Pall common stock on the NYSE on May 11, 2015, the last trading day prior to initial media speculation around a possible transaction, was \$99.31. The merger consideration represents a premium of approximately 28% to the closing price



## **Table of Contents**

on May 11, 2015 (the last trading day before the initial news reports surrounding the merger) and a premium of approximately 39.8% over the average closing price of Pall common stock for the 12 month period ended May 11, 2015 (the last trading day before the initial news reports surrounding the merger). On June 25, 2015, the last trading day before the date of this proxy statement, the closing price of Pall common stock on the NYSE was \$124.51.

Under the terms of the merger agreement, we may not declare, authorize, make or pay any dividend or other distribution on Pall common stock during the pendency of the merger.

## **Fees and Expenses (Page 89)**

All reasonable out-of-pocket fees and expenses incurred in connection with the merger agreement and related transactions will be paid by the person incurring such fees and expenses, whether or not the merger or the other transactions contemplated by the merger agreement are consummated, with certain exceptions expressly set forth in the merger agreement. Pall and Danaher have agreed to evenly split the filing fees and the cost of printing and mailing this proxy statement and the filing fees incurred in connection with the filings made pursuant to applicable antitrust laws.

## **No Appraisal Rights (Page 64)**

Pursuant to Section 910 of the NYBCL, shareholders of Pall will not be entitled to appraisal rights if the merger agreement is adopted and the merger is consummated because Pall common stock was listed on the NYSE on the record date. Section 910 of the NYBCL provides that a dissenting shareholder's right to receive payment of the fair value of his, her or its shares under Section 623 of the NYBCL is not available to a holder of shares of any class or series of stock, which shares or depository receipts in respect thereof, were listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, at the record date fixed to determine the shareholders entitled to receive notice of the meeting of shareholders to vote upon the merger agreement.

## **Help in Answering Questions**

If you have any questions about the special meeting or the merger after reading this proxy statement, you may contact Okapi Partners LLC, our proxy solicitor, by e-mail at [info@okapipartners.com](mailto:info@okapipartners.com). Shareholders may call the toll free number at (855) 305-0856, and banks and brokers may call (212) 297-0720, in each case to reach Okapi Partners LLC.

**The merger has not been approved or disapproved by the SEC or any state securities commission. Neither the SEC nor any state securities commission has passed upon the merits or fairness of the merger or upon the adequacy or accuracy of the information contained in this proxy statement. Any representation to the contrary is a criminal offense.**

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER**

*The following questions and answers are intended to address some commonly asked questions regarding the special meeting and the merger. These questions and answers may not address all questions that may be important to you as a holder of shares of Pall common stock. Please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement.*

**Q: Why am I receiving these materials?**

A: On May 12, 2015, Pall entered into the merger agreement with Danaher and Merger Sub. You are receiving this proxy statement in connection with the solicitation of proxies by the Pall board of directors in favor of the proposal to adopt the merger agreement.

**Q: As a shareholder, what will I receive if the merger is consummated?**

A: If the merger is consummated, you will be entitled to receive \$127.20 in cash, without interest and less any applicable withholding taxes, for each share of Pall common stock you own as of immediately prior to the effective time of the merger. You will not own shares in the surviving corporation.

The receipt of cash for shares of Pall common stock pursuant to the merger generally will be a taxable transaction for U.S. federal income tax purposes. Please see the discussion in the section entitled *Proposal 1: Adoption of the Merger Agreement U.S. Federal Income Tax Consequences of the Merger* beginning on Page 61 of this proxy statement for a more detailed description of the U.S. federal income tax consequences of the merger. You should consult your own tax advisor for a full understanding of the U.S. federal, state, local and foreign tax consequences of the merger in light of your particular circumstances.

**Q: What will happen to outstanding Pall equity awards and the Pall Stock Purchase Plans in the merger?**

A: For information regarding the effects of the merger on outstanding equity awards, please see the section entitled *Terms of the Merger Agreement Treatment of Equity-Based Awards* and *Terms of the Merger Agreement Treatment of Stock Purchase Plans* beginning on Page 67 and Page 68, respectively, of this proxy statement.

**Q: When and where is the special meeting?**

A: The special meeting will take place on July 28, 2015, at 1:00 p.m. New York time, at Pall's office located at 25 Harbor Park Drive, Port Washington, NY 11050.

**Q: Who is entitled to vote at the special meeting?**

A: Only shareholders of record as of the close of business on June 25, 2015, the record date for the special meeting, are entitled to vote at the special meeting. You will be entitled to one vote on each of the proposals presented in this proxy statement for each share of Pall common stock that you held on the record date.

**Q: What happens if I sell or transfer my shares of Pall common stock after the record date but before the special meeting?**

A: If you sell or transfer your shares of Pall common stock after the record date but before the special meeting, unless special arrangements (such as provision of a proxy) are made between you and the person to whom you sell or otherwise transfer your shares of Pall common stock and each of you notifies Pall of such special arrangements, you will transfer the right to receive the merger consideration, if the merger is consummated, to the person to whom you sell or transfer your shares of Pall common stock, but you will retain your right to vote these shares at the special meeting. Even if you sell or otherwise transfer your shares of Pall common stock after the record date, you are encouraged to complete, date, sign and return the enclosed proxy or vote via the Internet or telephone.

**Table of Contents**

**Q: What proposals will be voted on at the special meeting?**

A: At the special meeting, you will be asked to consider and vote on:

a proposal to adopt the merger agreement;

a proposal to approve, by a non-binding advisory vote, the specified compensation arrangements disclosed in this proxy statement that will or may become payable to Pall's named executive officers in connection with the consummation of the merger; and

a proposal to approve the adjournment of the special meeting if necessary or appropriate in the view of the Pall board of directors, including to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

**Q: What vote is required to adopt each of the proposals?**

A: Adoption of the merger agreement requires the affirmative vote of the holders of two-thirds of all outstanding shares of Pall common stock at the close of business on the record date entitled to vote at the special meeting. As of the record date, there were 106,848,187 shares of Pall common stock outstanding. Abstentions, failures to vote and broker non-votes (as more fully described below) will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement.

Approval of the advisory compensation proposal requires the affirmative vote of the holders of a majority of the shares of Pall common stock that are present in person or by proxy at the special meeting and entitled to vote on the proposal. Abstentions, failures to vote and broker non-votes (as more fully described below) will have no effect on the outcome of the vote on the advisory compensation proposal.

Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Pall common stock that are present in person or by proxy at the special meeting and entitled to vote on the proposal. Abstentions, failures to vote and broker non-votes (as more fully described below) will have no effect on the outcome of the vote on the adjournment proposal.

**Q: Why am I being asked to cast a non-binding, advisory vote to approve the compensation that will or may become payable to Pall's named executive officers in connection with the merger?**

A: In 2011, the SEC adopted rules that require companies to seek a non-binding advisory vote to approve certain compensation that will or may become payable to their named executive officers that is based on or otherwise relates to corporate transactions such as the merger. In accordance with the rules promulgated under Section 14A of the Exchange Act, Pall is providing its shareholders with the opportunity to cast a non-binding, advisory vote on the compensation that will or may become payable to Pall's named executive officers in connection with the

merger. For additional information, see the section entitled *Proposal 1: Adoption of the Merger Agreement Interests of Pall's Directors and Executive Officers in the Merger Quantification of Potential Payments to Named Executive Officers in Connection with the Merger* beginning on Page 56 of this proxy statement.

**Q. What will happen if the shareholders do not approve the advisory compensation proposal at the special meeting?**

A: The vote to approve the advisory compensation proposal is a vote separate and apart from the vote to adopt the merger agreement. Approval of the advisory compensation proposal is not a condition to consummation of the merger, and it is advisory in nature only, meaning that it will not be binding on Pall or Danaher or any of their respective subsidiaries. Accordingly, if the merger agreement is adopted by the shareholders of Pall and the merger is consummated, the compensation of our named executive officers that is based on or otherwise relates to the merger will be payable to our named executive officers even if this proposal is not approved.

**Table of Contents**

**Q: How does the Pall board of directors recommend that I vote?**

A: Upon careful consideration, the Pall board of directors has unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to and in the best interests of Pall and its shareholders, and unanimously recommends that you vote **FOR** the proposal to adopt the merger agreement, **FOR** the advisory compensation proposal and **FOR** the adjournment proposal if necessary or appropriate. For a discussion of certain factors that the Pall board of directors considered in reaching its decision to adopt the merger agreement and recommend that shareholders vote **FOR** the proposal to adopt the merger agreement, see the section entitled *Proposal 1: Adoption of the Merger Agreement Reasons for the Merger* beginning on Page 39 of this proxy statement.

**Q: How do Pall's directors and executive officers intend to vote their shares of Pall common stock in respect of adoption of the merger agreement?**

A: All of our directors and all of our executive officers, who collectively own less than 1% of the shares of Pall common stock entitled to vote at the special meeting, have informed us that they currently intend to vote all of their shares of Pall common stock **FOR** the adoption of the merger agreement.

**Q: What constitutes a quorum?**

A: The presence at the special meeting, in person or by proxy, of the holders of a majority of the outstanding shares of Pall common stock entitled to vote at any meeting of Pall shareholders shall constitute a quorum for the transaction of any business at such meeting. As of June 25, 2015, the record date for the special meeting, 53,424,094 shares of Pall common stock will be required to obtain a quorum. When a quorum is present to organize a meeting of Pall shareholders, it is not broken by the subsequent withdrawal of any Pall shareholders. Abstentions and any broker non-votes will be considered present for the purpose of determining the presence of a quorum.

**Q: What is the difference between holding shares of Pall common stock as a shareholder of record and as a beneficial owner?**

A: Most of our shareholders hold their shares of Pall common stock through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between shares of Pall common stock held of record and those owned beneficially through a broker, bank or other nominee.

*Shareholder of Record.* If your shares of Pall common stock are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., which we refer to as *Computershare* in this proxy statement, you are considered the shareholder of record with respect to those shares of Pall common stock, and these proxy materials are being sent directly to you by us. As the shareholder of record, you have the right to grant your voting proxy directly to us or to vote your shares of Pall common stock in person at the

special meeting. We have enclosed a proxy card for you to use.

*Beneficial Owner.* If your shares of Pall common stock are held in a brokerage account or in the name of a broker, bank or other nominee, you are considered the beneficial owner of those shares of Pall common stock, and these proxy materials are being forwarded to you together with a voting instruction card by your broker, bank or other nominee who is considered the shareholder of record with respect to those shares of Pall common stock. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your shares of Pall common stock, and you are also invited to attend the special meeting where you can vote your shares of Pall common stock in person by following the procedure described below.

Because a beneficial owner is not the shareholder of record, you may not vote these shares of Pall common stock at the special meeting, unless you obtain a legal proxy from the broker, bank or other nominee that holds your shares of Pall common stock giving you the right to vote the shares of Pall common stock at the special meeting. You should allow yourself enough time prior to the special meeting to obtain this proxy from your broker, bank or other nominee who is the shareholder of record.

**Table of Contents**

**Q: How do I vote my shares of Pall common stock?**

A: Before you vote, you should carefully read and consider the information contained in or incorporated by reference in this proxy statement, including the annexes. You should also determine whether you hold your shares of Pall common stock directly in your name as a registered holder (which would mean that you are a shareholder of record ) or through a broker, bank or other nominee (which would mean that you are a beneficial owner ), because this will determine the procedure that you must follow in order to vote. If you are the shareholder of record, you may vote in any of the following ways:

*Via the Internet* If you choose to vote via the Internet, go to the Internet website on the enclosed proxy card and follow the easy instructions. You will need the control number shown on your proxy card in order to vote.

*Via Telephone* If you choose to vote via telephone, use a touch-tone telephone to call the phone number indicated on the enclosed proxy card and follow the easy voice prompts. You will need the control number shown on your proxy card in order to vote.

*Via Mail* If you choose to vote via mail, simply mark your proxy card, date and sign it, and return it in the postage-paid envelope provided. Proxy cards that are returned without a signature will not be counted as present at the special meeting and cannot be voted.

*At the Special Meeting* Shareholders of record who attend the special meeting may vote in person by following the procedures described above, and any previously submitted proxies will be superseded by the vote cast at the special meeting.

Although Pall offers four different voting methods, Pall encourages you to vote through the Internet, as Pall believes it is the most cost-effective method. We also recommend that you vote as soon as possible, even if you are planning to attend the special meeting, so that the vote count will not be delayed. Both the Internet and the telephone provide convenient, cost-effective alternatives to returning your proxy card by mail. If you vote your shares of Pall common stock through the Internet, you may incur costs associated with electronic access, such as usage charges from Internet access providers.

**Q: Do I need to attend the special meeting in person?**

A: No. It is not necessary for you to attend the special meeting in person in order to vote your shares of Pall common stock.

**Q: If I hold my shares of Pall common stock through a broker, bank or other nominee, will my broker, bank or other nominee vote my shares of Pall common stock for me?**



A: Yes, but only if you properly instruct them to do so. If your shares of Pall common stock are held in a brokerage account or in the name of a broker, bank or other nominee, you are considered the beneficial owner of the shares of Pall common stock held for you in what is known as street name. If this is the case, this proxy statement has been forwarded to you by your broker, bank or other nominee, or its agent. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote your shares of Pall common stock. Because a beneficial owner is not the shareholder of record, you may not vote these shares of Pall common stock at the special meeting, unless you obtain a legal proxy from the broker, bank or other nominee that holds your shares of Pall common stock giving you the right to vote the shares of Pall common stock at the special meeting. You should allow yourself enough time prior to the special meeting to obtain this proxy from your broker, bank or other nominee who is the shareholder of record.

If you hold your shares of Pall common stock in the name of a broker, bank or other nominee, please refer to the information on the voting instruction card forwarded to you by your broker, bank or other nominee to see which voting options are available to you. In many cases, you may be able to submit your voting instructions by the Internet or telephone. If you do not properly submit your voting instructions, the broker,

**Table of Contents**

bank or other nominee will not be able to vote on these proposals. Under applicable rules, brokers, banks and other nominees have the discretion to vote on routine matters. The proposals in this proxy statement are non-routine matters, and therefore, brokers, banks and other nominees cannot vote on these proposals without your instructions. This is called a broker non-vote. Therefore, it is important that you cast your vote by instructing your broker, bank or nominee on how you wish to vote your shares of Pall common stock.

We believe that (i) under the NYBCL, broker non-votes, if any, will be counted for purposes of determining the presence or absence of a quorum at the special meeting and (ii) under the current rules of the NYSE, brokers only have discretionary authority to vote on routine proposals when they have not received instructions from beneficial owners, but absent specific instructions from the beneficial owner of the shares of Pall common stock, however, brokers, banks or other nominees are not allowed to exercise their voting discretion with respect to the approval of non-routine matters, which include all of the proposals being voted on at the special meeting. To the extent that there are any broker non-votes, a broker non-vote will have the same effect as a vote **AGAINST** the proposal to adopt the merger agreement.

**Q: What happens if I return my proxy card but I do not indicate how to vote?**

A: If you properly return your proxy card but do not include instructions on how to vote, your shares of Pall common stock will be voted **FOR** the adoption of the merger agreement, thereby voting such shares of Pall common stock in favor of approving the merger, **FOR** the approval, by a non-binding advisory vote, of the advisory compensation proposal, and **FOR** the approval of the adjournment proposal. We do not currently intend to present any other proposals for consideration at the special meeting.

**Q: What happens if I abstain from voting on a proposal?**

A: It is important that you vote your shares of Pall common stock. Under the NYBCL, the adoption of the merger agreement requires the affirmative vote of two-thirds of all outstanding shares of Pall common stock; thus, your abstention will have the same effect as a vote **AGAINST** adoption of the merger agreement. Your abstention will have no effect on the advisory compensation proposal or the adjournment proposal.

**Q: May I change my vote after I have mailed my signed proxy card or otherwise submitted my vote?**

A: Yes. Even after you sign the proxy card or voting instruction card in the form accompanying this proxy statement, vote via telephone or vote via the Internet, you retain the power to revoke your proxy or change your vote. You can revoke your proxy or change your vote at any time before it is exercised by giving written notice to our General Counsel at Pall Corporation, 25 Harbor Park Drive, Port Washington, NY 11050, Attn: General Counsel, specifying such revocation. You may also change your vote by timely delivery of a valid, later-dated proxy or by attending and voting in person at the special meeting. If you have voted via the Internet or by telephone, you may change your vote by signing on to the website and following the prompts or calling the toll-free number again and following the instructions.

If your shares of Pall common stock are held in the name of a broker, bank or other nominee, you must contact your broker, bank or other nominee in order to revoke your proxy or change your vote.

**Q: What does it mean if I receive more than one set of proxy materials?**

A: This means that you hold shares of Pall common stock in more than one way. For example, you may own some shares of Pall common stock directly as a shareholder of record and other shares of Pall common stock as a beneficial owner through a broker, bank or other nominee, or you may own shares of Pall common stock as a beneficial owner through more than one broker, bank or other nominee. In these situations, you may receive more than one set of proxy materials or multiple control numbers for use in submitting your proxy. To ensure that ALL of your shares of Pall common stock are voted, sign and return each proxy card or voting instruction card you receive or, if you submit your proxy through the Internet or by telephone, vote at least once for each proxy card or control number you receive.

**Table of Contents**

**Q: When do you expect the merger to be consummated?**

A: Pall and Danaher are working toward consummating the merger as promptly as possible. Pall and Danaher currently anticipate that the merger will be consummated by the end of calendar year 2015, although there can be no assurance that Pall and Danaher will be able to do so by then or at all. Consummation of the merger is subject to a number of conditions specified in the merger agreement. See the section entitled *Terms of the Merger Agreement Conditions to Consummation of the Merger* beginning on Page 84 of this proxy statement.

**Q: If the merger is consummated, how will I receive the cash for my shares of Pall common stock?**

A: If the merger is consummated and your shares of Pall common stock are held in book-entry or in the name of a broker, bank or other nominee, the cash proceeds will be deposited into your bank or brokerage account without any further action on your part. If you hold your shares of Pall common stock in certificate form, you will receive a letter of transmittal with instructions on how to send your shares of Pall common stock to the paying agent in connection with the merger. The paying agent will issue and deliver to you a check for your shares of Pall common stock after you comply with such instructions. See the section entitled *Terms of the Merger Agreement Payment of Merger Consideration; Exchange of Shares in the Merger* beginning on Page 68 of this proxy statement.

**Q: If I hold my shares of Pall common stock in certificated form, should I send in my stock certificates now?**

A: No. Please do not send your stock certificates now. If the merger is consummated, shareholders holding shares of Pall common stock in certificate form will receive shortly thereafter a letter of transmittal instructing such shareholders to send their stock certificates to the paying agent in order to receive the cash payment of the merger consideration for each share of Pall common stock represented by the stock certificates. Holders of stock certificates should use the letter of transmittal to exchange their stock certificates for the cash payment to which they are entitled upon consummation of the merger. Please do not send in your stock certificates with your proxy card.

**Q: Is the merger taxable to Pall shareholders?**

A: The exchange of shares of Pall common stock for cash pursuant to the merger generally will be a taxable transaction for U.S. federal income tax purposes.

You should read the section entitled *Proposal 1: Adoption of the Merger Agreement U.S. Federal Income Tax Consequences of the Merger* beginning on Page 61 of this proxy statement for a more complete discussion of the U.S. federal income tax consequences of the merger. You should also consult your own tax advisors regarding the U.S. federal income tax consequences of the merger to you in light of your particular circumstances, as well as tax consequences arising under any state, local or foreign tax laws.

**Q: What happens if the merger is not consummated?**

A: If the merger agreement is not adopted by the shareholders or if the merger is not consummated for any other reason, shareholders of Pall will not receive any payment for their shares of Pall common stock in connection with the merger. Instead, Pall common stock will continue to be listed and traded on the NYSE. In certain circumstances, we may be required to pay a termination fee, or we or Danaher may seek damages or other remedies, in each case, as described under the section entitled *Terms of the Merger Agreement Termination; Effect of Termination* and *Terms of the Merger Agreement Termination Fee* beginning on Page 86 and Page 88, respectively, of this proxy statement.

**Q: Am I entitled to exercise appraisal rights instead of receiving the merger consideration for my shares of Pall common stock?**

A: No. Pursuant to NYBCL Section 910, you are not entitled to exercise appraisal rights with respect to the merger agreement or the transactions contemplated thereby, including the merger, as further explained under the section entitled *Proposal 1: Adoption of the Merger Agreement No Appraisal Rights* beginning on Page 64 of this proxy statement.

**Table of Contents**

**Q: Who will count the votes?**

A: The votes will be counted by a representative of Computershare, who will act as the inspector of election appointed for the special meeting.

**Q: Where can I find the voting results of the special meeting?**

A: Pall intends to announce preliminary voting results at the special meeting and publish final results in a Current Report on Form 8-K that will be filed with the SEC following the special meeting. All reports Pall files with the SEC are publicly available when filed. See the section entitled *Where Shareholders Can Find More Information* beginning on Page 98 of this proxy statement.

**Q: Are there any other risks to me from the merger that I should consider?**

A: Yes. There are risks associated with all business combinations, including the merger. See the section entitled *Cautionary Statement Concerning Forward-Looking Information* beginning on Page 21 of this proxy statement.

**Q: Who can help answer my questions?**

A: If you would like additional copies, without charge, of this proxy statement or if you have questions about the merger agreement or the merger, including the procedures for voting your shares of Pall common stock, you should contact Okapi Partners LLC, our proxy solicitation firm, at:

Okapi Partners LLC

437 Madison Avenue, 28th Floor

New York, NY 10022

Banks and Brokers, Please Call: (212) 297-0720

Shareholders and All Others, Please Call Toll-Free: (855) 305-0856

E-mail: [info@okapipartners.com](mailto:info@okapipartners.com)

If your broker, bank or other nominee holds your shares of Pall common stock, you should also call your broker, bank or other nominee for additional information.

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**Table of Contents**

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION**

This proxy statement contains certain forward-looking statements as that term is defined by Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Forward-looking statements may be typically identified by such words as may, will, should, expect, anticipate, plan, likely, believe, intend and other similar expressions, among others. These forward-looking statements are subject to known and unknown risks and uncertainties that could cause our actual results to differ materially from the expectations expressed in the forward-looking statements. Although we believe that the expectations reflected in our forward-looking statements are reasonable, any or all of our forward-looking statements may prove to be incorrect. Consequently, no forward-looking statements may be guaranteed, and there can be no assurance that the actual results or developments anticipated by such forward-looking statements will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Pall or its business or operations. Factors that could cause our actual results to differ from those projected or contemplated in any such forward-looking statements include, but are not limited to, the following factors:

the risk that the conditions to the closing of the merger are not satisfied (including a failure of the shareholders of Pall to adopt, on a timely basis or otherwise, the merger agreement and the risk that regulatory approvals required for the merger are not obtained, on a timely basis or otherwise, or are obtained subject to conditions that are not anticipated);

litigation relating to the merger;

uncertainties as to the timing of the consummation of the merger and the ability of each of Pall and Danaher to consummate the merger;

risks that the proposed transaction disrupts the current plans and operations of Pall;

the ability of Pall to retain and hire key personnel;

competitive responses to the merger;

limitations placed on our ability to operate the business by the merger agreement;

the effect of Danaher's announcement relating to its separation into two independent, publicly traded companies;

unexpected costs, charges or expenses resulting from completing the conditions to the closing of the merger;

potential adverse reactions or changes to business relationships resulting from the announcement or consummation of the merger; and

legislative, regulatory and economic developments.

The foregoing review of important factors that could cause actual events to differ from expectations should not be construed as exhaustive and should be read in conjunction with statements that are included herein and elsewhere, including the risk factors included in Pall's most recent Annual Report on Form 10-K for the fiscal year ended July 31, 2014, and our more recent reports filed with the SEC. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters attributable to Pall or any other person acting on its behalf are expressly qualified in their entirety by the cautionary statements referenced above. None of Pall, Danaher or any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements speak only as of the date of the communication in which they are contained. Pall can give no assurance that the conditions to the merger will be satisfied. Except as required by applicable law, Pall undertakes no obligation to revise or update any forward-looking statement or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

All information contained in this proxy statement exclusively concerning Danaher and Merger Sub and their affiliates has been supplied by Danaher and Merger Sub and has not been independently verified by us.



**Table of Contents**

**PARTIES INVOLVED IN THE MERGER**

**Pall Corporation**

**25 Harbor Park Drive**

**Port Washington, NY 11050**

**Telephone: (516) 484-5400**

Pall, a New York corporation, is a filtration, separation and purification leader providing solutions to meet the critical fluid management needs of customers across the broad spectrum of life sciences and industry. Pall works with customers to advance health, safety and environmentally responsible technologies. Pall's engineered products enable process and product innovation and minimize emissions and waste. Pall is an S&P 500 company serving customers worldwide.

Pall common stock is listed on the NYSE under the symbol **PLL**.

Pall's principal executive offices are located at 25 Harbor Park Drive, Port Washington, NY 11050, its telephone number is (516) 484-5400 and its Internet website address is [www.pall.com](http://www.pall.com). The information provided on or accessible through Pall's Internet website is not part of this proxy statement and is not incorporated in this proxy statement by this or any other reference to its Internet website provided in this proxy statement.

Detailed descriptions about Pall's business and financial results are contained in its Annual Report on Form 10-K for the fiscal year ended July 31, 2014, and subsequent reports filed with the SEC, which are incorporated in this proxy statement by reference. See the section entitled *Where Shareholders Can Find More Information* beginning on Page 98 of this proxy statement.

**Danaher Corporation**

**2200 Pennsylvania Ave., NW, Suite 800W**

**Washington, DC 20037**

**Telephone: (202) 828-0850**

Danaher, a Delaware corporation, designs, manufactures and markets professional, medical, industrial and commercial products and services, which are typically characterized by strong brand names, innovative technology and major market positions. Danaher's research and development, manufacturing, sales, distribution, service and administrative facilities are located in more than 50 countries. Danaher's business consists of five segments: test & measurement; environmental; life sciences & diagnostics; dental; and industrial technologies.

Danaher's common stock is listed on the NYSE under the symbol **DHR**.

Danaher's corporate office is located at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, District of Columbia 20037, its telephone number is (202) 828-0850 and its Internet website address is [www.danaher.com](http://www.danaher.com). The information provided on or accessible through Danaher's Internet website is not part of this proxy statement and is not incorporated in this proxy statement by this or any other reference to its Internet website provided in this proxy

statement.

**Pentagon Merger Sub, Inc.**

**2200 Pennsylvania Ave., NW, Suite 800W**

**Washington, DC 20037**

**Telephone: (202) 828-0850**

Merger Sub, an indirect wholly owned subsidiary of Danaher, is a New York corporation that was formed on May 8, 2015 for the sole purpose of entering into the merger agreement and consummating the transactions contemplated by the merger agreement, including the merger. Upon the terms and subject to the conditions of the merger agreement, Merger Sub will be merged with and into Pall, with Pall surviving the merger as an indirect wholly owned subsidiary of Danaher.

**Table of Contents**

The principal executive offices of Merger Sub are located at 2200 Pennsylvania Avenue, NW, Suite 800W, Washington, District of Columbia 20037, and its telephone number is (202) 828-0850.

**Table of Contents**

**THE SPECIAL MEETING**

*This section contains information about the special meeting of the shareholders of Pall that has been called to consider and vote upon a proposal to adopt the merger agreement, to consider and vote upon a proposal to approve, by a non-binding advisory vote, the specified compensation arrangements disclosed in this proxy statement that will or may become payable to Pall's named executive officers in connection with the consummation of the merger, and to consider and vote upon a proposal to approve the adjournment of the special meeting if necessary or appropriate in the view of the Pall board of directors, including to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.*

*This proxy statement is being provided to the shareholders of Pall as part of a solicitation of proxies by the Pall board of directors for use at the special meeting to be held at the date, time and place specified below, and at any properly convened meeting following an adjournment or postponement thereof, for the purposes set forth in this proxy statement and in the accompanying notice of special meeting.*

**Date, Time and Place**

A special meeting of the shareholders of Pall is scheduled to be held on July 28, 2015, at 1:00 p.m. New York time, at Pall's office located at 25 Harbor Park Drive, Port Washington, NY 11050, unless the special meeting is adjourned or postponed. We intend to mail this proxy statement and the accompanying proxy card on or about June 26, 2015, to all shareholders entitled to vote at the special meeting.

**Purpose of the Special Meeting**

At the special meeting, shareholders will be asked:

to consider and vote upon a proposal to adopt the merger agreement, which provides for the merger of Merger Sub with and into Pall, with Pall continuing as the surviving corporation, and the conversion of each share of Pall common stock, other than each share of Pall common stock held in the treasury of Pall or owned by any direct or indirect wholly owned subsidiary of Pall, or by Danaher or any direct or indirect wholly owned subsidiary of Danaher (which shares of Pall common stock we refer to as "excluded shares" in this proxy statement), into the right to receive the merger consideration;

to consider and vote upon a proposal to approve, by a non-binding advisory vote, the specified compensation arrangements disclosed in this proxy statement that will or may become payable to Pall's named executive officers in connection with the consummation of the merger; and

to consider and vote upon a proposal to approve the adjournment of the special meeting if necessary or appropriate in the view of the Pall board of directors, including to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

**Recommendations of the Pall Board of Directors**

The Pall board of directors, after considering all factors that the Pall board of directors deemed relevant, unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the

merger, are fair to and in the best interests of Pall and its shareholders, and unanimously adopted the merger agreement and approved the transactions contemplated by the merger agreement, including the merger. Certain factors considered by the Pall board of directors in reaching its decision to adopt the merger agreement and approve the merger can be found in the section entitled *Proposal 1: Adoption of the Merger Agreement Reasons for the Merger* beginning on Page 39 of this proxy statement.

**The Pall board of directors unanimously recommends that Pall shareholders vote FOR the adoption of the merger agreement, thereby approving the merger, FOR the advisory compensation proposal and FOR the adjournment proposal.**

## **Table of Contents**

### **Record Date and Voting Information**

Only shareholders of record at the close of business on June 25, 2015, the record date for the special meeting, unless special arrangements (such as provision of a proxy) are made between you and the person to whom you sell or otherwise transfer your shares of Pall common stock and each of you notifies Pall of such special arrangements, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements thereof. Each shareholder of record on the record date will be entitled to one vote for each share held as of the record date on each matter properly brought before the special meeting. If you sell or transfer your shares of Pall common stock after the record date but before the special meeting, unless special arrangements (such as provision of a proxy) are made between you and the person to whom you sell or otherwise transfer your shares of Pall common stock and each of you notifies Pall of such special arrangements, you will transfer the right to receive the per share merger consideration, if the merger is consummated, to the person to whom you sell or transfer your shares of Pall common stock, but you will retain your right to vote such shares of Pall common stock at the special meeting.

As of the close of business on the record date, there were 106,848,187 shares of Pall common stock, issued, outstanding and entitled to vote at the special meeting, which shares of Pall common stock were held by approximately 1,819 shareholders of record.

Brokers, banks or other nominees who hold shares of Pall common stock for clients typically have the authority to vote on routine proposals when they have not received instructions from beneficial owners. Absent specific instructions from the beneficial owner of the shares of Pall common stock, however, brokers, banks or other nominees are not allowed to exercise their voting discretion with respect to the approval of non-routine matters, which include all of the proposals being voted on at the special meeting. Proxies submitted without a vote by brokers, banks or other nominees on these matters are referred to as broker non-votes and are discussed in greater detail below.

### **Quorum**

At the special meeting, the presence in person or by proxy of the holders of a majority of the outstanding shares of Pall common stock entitled to vote at the meeting is necessary and sufficient to constitute a quorum for the transaction of any business at such meeting. When a quorum is present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders of Pall. As of the record date for the special meeting, 53,424,094 shares of Pall common stock will be required to obtain a quorum. Abstentions and broker non-votes are considered as present for the purpose of determining the presence of a quorum. In the event that a quorum is not present, or if there are insufficient votes to adopt the merger agreement at the time of the special meeting, it is expected the meeting will be adjourned or postponed to solicit additional proxies.

### **Required Vote**

Adoption of the merger agreement requires the affirmative vote of two-thirds of all outstanding shares of Pall common stock entitled to vote at the special meeting, as of the record date for the special meeting.

Approval of each of the advisory compensation proposal and the adjournment proposal requires the affirmative vote of the holders of a majority of the shares of Pall common stock that are present in person or by proxy at the special meeting and entitled to vote on the proposal.

Abstentions and broker non-votes, if any, will be counted as present in determining whether the quorum requirement is satisfied.

If the special meeting is adjourned or postponed for any reason, and the record date remains unchanged, at any subsequent reconvening of the special meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the meeting, except for any proxies that have been revoked or withdrawn.

## **Table of Contents**

### **Effect of Abstentions and Broker Non-Votes**

It is important that you vote your shares of Pall common stock. Under the NYBCL, the adoption of the merger agreement requires the affirmative vote of two-thirds of all outstanding shares of Pall common stock that are entitled to vote thereon; thus, your abstention will have the same effect as a vote **AGAINST** adoption of the merger agreement.

Abstentions and shares of Pall common stock not represented at the special meeting and not voted in person or by proxy will have no effect on the advisory compensation proposal or the adjournment proposal.

If you hold your shares of Pall common stock in the name of a broker, bank or other nominee, such broker, bank or other nominee may vote your shares of Pall common stock on the adoption of the merger agreement, the advisory compensation proposal and, if necessary or appropriate, the adjournment proposal only if you provide instructions on how to vote. Your failure to provide instructions will result in your shares of Pall common stock not being present at the meeting and not being voted on those proposals. It is very important that ALL of our shareholders vote their shares of Pall common stock, so please promptly complete and return the enclosed proxy card or submit your proxy by telephone or via the Internet.

### **Voting by Shareholders**

After carefully reading and considering the information contained in this proxy statement, each shareholder of record (that is, if your shares of Pall common stock are registered in your name with Pall's transfer agent, Computershare) should vote by mail, through the Internet, by telephone or by attending the special meeting and voting by ballot, according to the instructions described below.

#### *Voting Methods*

#### **For shareholders of record:**

If your shares of Pall common stock are held in your name by Pall's transfer agent, Computershare, you can vote:

*Via the Internet* If you choose to vote via the Internet, go to the Internet website indicated on the enclosed proxy card and follow the easy instructions. You will need the control number shown on your proxy card in order to vote.

*Via Telephone* If you choose to vote via telephone, use a touch-tone telephone to call the phone number indicated on the enclosed proxy card and follow the easy voice prompts. You will need the control number shown on your proxy card in order to vote.

*Via Mail* If you choose to vote via mail, simply mark your proxy card, date and sign it, and return it in the postage-paid envelope provided. Proxy cards that are returned without a signature will not be counted as present at the special meeting and cannot be voted.



*At the Special Meeting* Shareholders of record who attend the special meeting may vote in person by following the procedures described above, and any previously submitted proxies will be superseded by the vote cast at the special meeting.

**Please do not send in stock certificates or other documents representing Pall common stock at this time. If the merger is consummated, holders of Pall common stock certificates will receive instructions regarding the procedures for exchanging their existing Pall common stock certificates for the payment of the merger consideration.**

**For beneficial owners:**

If your shares of Pall common stock are held in the name of a broker, bank or other nominee, you have the right to direct your broker, bank or other nominee on how to vote your shares of Pall common stock. Because a

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**Table of Contents**

beneficial owner is not the shareholder of record, you may not vote these shares of Pall common stock at the special meeting unless you obtain a legal proxy from the broker, bank or other nominee that holds your shares of Pall common stock giving you the right to vote such shares of Pall common stock at the special meeting.

Proxies received at any time before the special meeting and not expired, revoked or superseded before being voted will be voted at the special meeting. If the proxy indicates a specification, it will be voted in accordance with the specification. If no specification is indicated, the proxy will be voted **FOR** the adoption of the merger agreement, thereby voting such shares of Pall common stock in favor of approving the merger, **FOR** the approval, by a non-binding advisory vote, of the advisory compensation proposal, and **FOR** the approval of the adjournment proposal.

**Revocation of Proxies**

Shareholders of record retain the power to revoke their proxy or change their vote, even if they sign the proxy card or voting instruction card in the form accompanying this proxy statement, via telephone or via the Internet. Shareholders of record can revoke their proxy or change their vote at any time before it is exercised by giving written notice to our General Counsel at Pall Corporation, 25 Harbor Park Drive, Port Washington, NY 11050, Attn: General Counsel, specifying such revocation. Shareholders of record may also change their vote by timely delivery of a valid, later-dated proxy or by voting by ballot in person at the special meeting. Simply attending the special meeting will not constitute revocation of your proxy. If your shares of Pall common stock are held in the name of a broker, bank or other nominee, you should follow the instructions of such broker, bank or other nominee regarding the revocation of proxies. If you have voted via the Internet or via telephone, you may change your vote by signing on to the Internet website and following the prompts or calling the toll-free number again and following the instructions.

**Voting by Pall's Directors and Executive Officers**

At the close of business on the record date for the special meeting, directors and executive officers of Pall and their affiliates were entitled to vote 151,875 shares of Pall common stock at the special meeting, or less than 1% of the shares of Pall common stock outstanding on that date. We currently expect that Pall's directors and executive officers will vote their shares of Pall common stock in favor of the proposal to adopt the merger agreement, although none of them has entered into any agreement obligating them to do so.

Certain directors and executive officers of Pall have interests that are different from, or in addition to, those of other Pall shareholders generally. For more information, see the section entitled *Proposal 1: Adoption of the Merger Agreement Interests of Pall's Directors and Executive Officers in the Merger* beginning on Page 49 of this proxy statement.

**Expenses of Proxy Solicitation**

This proxy statement is being furnished in connection with the solicitation of proxies by the Pall board of directors. We have engaged the services of Okapi Partners LLC to solicit proxies for the special meeting. In connection with its retention by us, Okapi Partners LLC has agreed to provide proxy solicitation services, strategic advice and consulting and distribution services in connection with the special meeting. We have agreed to pay Okapi Partners LLC a fee not to exceed \$20,000 plus reasonable out-of-pocket expenses for its services. We have agreed to indemnify Okapi Partners LLC for certain losses arising out of its proxy solicitation services. Expenses incurred in connection with printing and mailing of this proxy statement will be paid one-half by Pall and one-half by Danaher. Copies of solicitation materials will also be furnished to banks, brokerage houses, fiduciaries and custodians holding in their names shares of Pall common stock beneficially owned by others to forward to those beneficial owners. We may

reimburse persons representing beneficial owners of Pall common stock for their costs of forwarding solicitation materials to the beneficial owners. In addition to the solicitation of proxies by mail, solicitation may be made personally, by telephone, by e-mail and by fax, and we may pay

## **Table of Contents**

persons holding shares of Pall common stock for their expenses for sending proxy materials to their principals. Proxies may be solicited by our directors, officers and employees in person or by telephone, e-mail or other means of communication. No additional compensation will be paid to our directors, officers or employees for their services.

## **Householding**

The SEC has adopted rules that permit companies and intermediaries, such as brokers, banks or other nominees, to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more shareholders sharing the same address by delivering a single annual report or proxy statement, as applicable, addressed to those shareholders. This process, commonly referred to as householding, potentially provides extra convenience for shareholders and cost savings for companies. Pall and some brokers, banks or other nominees may be householding Pall's proxy materials by delivering a single set of proxy materials to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once you have received notice from your broker, bank or other nominee, or Pall, that your broker, bank or other nominee, or Pall, will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If at any time you no longer wish to participate in householding and would prefer to receive a separate proxy statement or annual report, or if you are receiving multiple copies of either document and wish to receive only one, please notify your broker, bank or other nominee if your shares of Pall common stock are held in the name of a broker, bank or other nominee, or Pall if you are a shareholder of record. You can notify Pall by sending a written request to our Investor Relations team at Pall Corporation, 25 Harbor Park Drive, Port Washington, NY 11050. In addition, we will promptly deliver, upon written or oral request to the address or telephone number above, a separate copy of the proxy statement to a shareholder at a shared address to which a single copy of the documents was delivered.

## **Tabulation of Votes**

All votes will be tabulated by a representative of Computershare, who will act as the inspector of election appointed for the special meeting and will separately tabulate affirmative and negative votes, abstentions and broker non-votes.

## **Confidential Voting**

As a matter of policy, Pall keeps confidential proxies, ballots and voting tabulations that identify individual shareholders. Such documents are available for examination only by the inspector of election and certain of Pall's employees and Pall's transfer agent and proxy solicitor who are associated with processing proxy cards and tabulating the vote. Such documents may also be shared with certain representatives of Danaher. The vote of any shareholder is not disclosed except (i) where disclosure is required by applicable law, (ii) where disclosure is requested by you, (iii) where Pall concludes in good faith that a bona fide dispute exists as to the authenticity of one or more proxies, ballots or votes, or as to the accuracy of any tabulation of such proxies, ballots or votes or (iv) in a contested proxy solicitation. Occasionally, shareholders provide written comments on their proxy cards. All comments received are then forwarded to Pall's General Counsel. Pall intends to announce preliminary aggregate voting results at the special meeting and to then disclose the final aggregate voting results in a Current Report on Form 8-K following the special meeting.

## **Adjournments and Postponements**

In addition to the proposal to adopt the merger agreement and the advisory compensation proposal, shareholders of Pall are also being asked to approve a proposal that will give the Pall board of directors authority to adjourn the special meeting if necessary or appropriate in the view of the Pall board of directors, including to solicit additional

proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement, to allow reasonable additional time for the filing and distribution of any supplemental or amended disclosure to be disseminated to and reviewed by shareholders of Pall prior to the special meeting, or otherwise

## Table of Contents

with the consent, or upon the request, of Danaher. In addition, the Pall board of directors could postpone the meeting before it commences, in each case in any of the circumstances described above. If the special meeting is so adjourned for the purpose of soliciting additional proxies, shareholders who have already submitted their proxies will be able to revoke them at any time prior to their use. If you return a proxy and do not indicate how you wish to vote on any proposal, or if you indicate that you wish to vote in favor of the proposal to adopt the merger agreement but do not indicate a choice on the adjournment proposal, your shares of Pall common stock will be voted in favor of the adjournment proposal.

Any adjournment may be made without notice to another time or place if the date, time and place to which the meeting is adjourned is announced at the meeting at which the adjournment is taken. At the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. If the Pall board of directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting will be given to each shareholder of record entitled to vote at the adjourned meeting.

## **Attending the Special Meeting**

Only shareholders of record as of the close of business on June 25, 2015, or their duly appointed proxies may attend the special meeting, or if your shares of Pall common stock are held in the name of a broker, bank or other nominee and you bring evidence of beneficial ownership on the record date for the special meeting, such as a copy of your most recent account statement or similar evidence of ownership of Pall common stock as of the record date for the special meeting, you may attend the special meeting. If your shares of Pall common stock are held in the name of a broker, bank or other nominee and you wish to vote at the special meeting, you must also bring a proxy from the record holder (your broker, bank or other nominee) of the shares of Pall common stock authorizing you to vote at the special meeting. All shareholders should bring photo identification (a driver's license or passport is preferred), as you will also be asked to provide photo identification at the registration desk on the day of the special meeting or any adjournment or postponement of the special meeting. Everyone who attends the special meeting must abide by the rules for the conduct of the meeting. These rules will be printed on the meeting agenda. Even if you plan to attend the special meeting, we encourage you to vote by telephone, Internet or mail so your vote will be counted if you later decide not to (or are otherwise unable to) attend the special meeting. **No cameras, recording equipment, other electronic devices, large bags or packages will be permitted in the special meeting.** Shareholders will be admitted to the meeting room starting at 12:45 p.m., New York time, and admission will be on a first-come, first-served basis.

## **Assistance**

If you need assistance in completing your proxy card or have questions regarding Pall's special meeting, please contact Okapi Partners LLC, our proxy solicitor, by e-mail at [info@okapipartners.com](mailto:info@okapipartners.com). Shareholders may call the toll free number at (855) 305-0856, and banks and brokers may call (212) 297-0720, in each case to reach Okapi Partners LLC.

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**Table of Contents**

**PROPOSAL 1: ADOPTION OF THE MERGER AGREEMENT**

**Effects of the Merger**

If the proposal to adopt the merger agreement receives the affirmative vote of shareholders holding more than two-thirds of all outstanding shares of Pall common stock entitled to vote on such matter and the other conditions to the closing of the merger are either satisfied or (to the extent permitted by applicable law) waived, Merger Sub will merge with and into Pall upon the terms set forth in the merger agreement. As the surviving corporation in the merger, Pall will continue to exist following the merger as an indirect wholly owned subsidiary of Danaher.

Following the merger, all of Pall's equity interests will be indirectly beneficially owned by Danaher, and none of Pall's current shareholders will, by virtue of the merger, have any ownership interest in, or be a shareholder of, Pall, the surviving corporation or Danaher after the consummation of the merger. As a result, Pall's current shareholders will no longer benefit from any increase in the value, nor will they bear the risk of any decrease in the value, of shares of Pall common stock. Following the merger, Danaher will benefit from any increase in Pall's value and also will bear the risk of any decrease in Pall's value.

Upon consummation of the merger, each share of Pall common stock issued and outstanding immediately prior to the effective time of the merger (other than excluded shares) will be converted into the right to receive the merger consideration. See the section of entitled *Terms of the Merger Agreement Terms of the Merger; Merger Consideration* beginning on Page 66 of this proxy statement.

For information regarding the effects of the merger on Pall's outstanding equity awards, please see the sections entitled *Terms of the Merger Agreement Treatment of Equity-Based Awards* and *Terms of the Merger Agreement Treatment of Stock Purchase Plans* beginning on Page 67 and Page 68, respectively, of this proxy statement.

Pall common stock is currently registered under the Exchange Act and trades on the NYSE under the symbol PLL. Following the consummation of the merger, shares of Pall common stock will no longer be traded on the NYSE or any other public market. In addition, the registration of shares of Pall common stock under the Exchange Act will be terminated, and Pall will no longer be required to file periodic and other reports with the SEC with respect to Pall common stock. Termination of registration of Pall common stock under the Exchange Act will reduce the information required to be furnished by Pall to shareholders of Pall and the SEC and would make certain provisions of the Exchange Act, such as the requirement to file annual and quarterly reports pursuant to Section 13(a) or 15(d) of the Exchange Act, the short-swing trading provisions of Section 16(b) of the Exchange Act and the requirement to furnish a proxy statement in connection with shareholders' meetings pursuant to Section 14(a) of the Exchange Act, no longer applicable to Pall.

**Background of the Merger**

As part of Pall's ongoing strategic planning process, members of the Pall board of directors and members of Pall senior management periodically review and assess Pall's operations, financial performance and competitive position, as well as industry trends and potential strategic initiatives. In addition, members of Pall senior management, from time to time, also meet with members of the Pall board of directors in the ordinary course of business to discuss strategic alternatives in order to enhance shareholder value, including, among other things, business combinations, acquisitions, divestitures, dividends and share repurchases. In connection with these reviews and assessments, the Pall board of directors and members of Pall senior management enlist the assistance of financial advisors and outside legal advisors.





## **Table of Contents**

The following chronology sets forth a summary of the material events leading up to the execution of the merger agreement.

Between June 10, 2014 and June 12, 2014, Mr. Lawrence D. Kingsley, the Chairman and Chief Executive Officer of Pall, attended an investment bank-sponsored life sciences conference in California. On June 11, 2014, Mr. Kingsley had an informal conversation with the chief executive officer of a public company, which we refer to as Company A in this proxy statement, and discussed recent trends in the life sciences sector. In addition, the Chief Executive Officer of Company A, whom we refer to as the Company A CEO in this proxy statement, mentioned in passing that Company A and Pall were a good fit. Following the conference, Mr. Kingsley mentioned the conversation with the Company A CEO to each of Mr. Ronald L. Hoffman, the lead director of the Pall board of directors, Mr. R. Brent Jones, Pall's current interim Chief Financial Officer and, at the time of the meeting, Pall's Senior Vice President, Corporate Development and Treasurer, and the then-current (but since departed) chief financial officer of Pall.

On September 22, 2014, Sigma-Aldrich Corporation, a leading life science and technology company, announced that it had agreed to be acquired by Merck KGaA in a transaction valued at approximately \$17 billion. The Sigma-Aldrich Corporation transaction was part of a continuing trend of consolidation within the life sciences sector. On September 26, 2014, four days after the announcement of the Sigma-Aldrich Corporation transaction, the Company A CEO called Mr. Kingsley to discuss the Sigma-Aldrich Corporation transaction and the changing dynamics resulting from consolidation in the sector. In addition, he reiterated his belief that Company A and Pall were a good fit. Mr. Kingsley again individually informed each of the former chief financial officer of Pall, Mr. Jones and Mr. Hoffman of the conversation with the Company A CEO.

On October 10, 2014, the Pall board of directors held a meeting of the board. Following the discussion of certain ordinary course board matters, the Pall board of directors, in light of the increased industry consolidation and mergers and acquisition activity in the industry, invited an outside legal advisor to join the meeting and provide the Pall board of directors with a presentation on takeover preparedness, shareholder activism and risk management.

On November 19, 2014, at the request of the Company A CEO, Mr. Kingsley met the Company A CEO briefly in New York, NY. At the meeting, the Company A CEO noted that Company A continued to be interested in a strategic transaction involving Pall, but at that time did not want to initiate a process. Mr. Kingsley informed the Company A CEO that neither he nor the Pall board of directors were considering a sale of Pall at that time, but that he would inform the Pall board of directors of Company A's general interest.

On December 3, 2014, on an informal update call with the Pall board of directors, Mr. Kingsley informed the directors of the most recent general expression of interest that the Company A CEO conveyed at the meeting Mr. Kingsley had with him on November 19, 2014.

On December 9, 2014, the Pall board of directors convened a meeting of the board to discuss ordinary course matters. After the Pall board of directors discussed ordinary course matters, Mr. Jones joined the meeting in order to discuss the increased industry consolidation and mergers and acquisition activity in the industry. As part of this discussion, Mr. Jones, with Mr. Kingsley, provided an overview of Pall's then-current financial model, including the key assumptions and inputs, based upon the most recent strategic plan that had previously been discussed with the Pall board of directors. Throughout the presentation the independent members of the Pall board of directors engaged in a detailed discussion among themselves and with Mr. Kingsley and Mr. Jones. Following the discussion, the Pall board of directors agreed to adjourn the meeting and reconvene to continue its discussion on December 10, 2014.

On December 10, 2014, before and after the annual shareholder meeting, the Pall board of directors reconvened to continue the discussion from the previous day. At the meeting, the Pall board of directors invited representatives of

Goldman Sachs and Pall's legal advisor, Shearman & Sterling LLP, which we refer to as

**Table of Contents**

Shearman & Sterling in this proxy statement, to provide the board with an update on the life sciences sector and the impact of recent merger and acquisition activity within the sector. In addition, representatives of Goldman Sachs presented a preliminary financial analysis of Pall. After the presentation and related discussions concluded, the representatives of Goldman Sachs were excused from the meeting, and representatives of Shearman & Sterling discussed with the Pall board of directors, among other things, its fiduciary duties under New York law, including with respect to the fiduciary duties of the Pall board of directors in event of any unsolicited acquisition activity.

Mr. Kingsley, Mr. Jones and Mr. H. Alex Kim, Pall's Senior Vice President, Corporate Strategy, attended an investment bank-sponsored life sciences conference in California from January 12, 2015 to January 16, 2015. On January 14, 2015, while at the conference, Mr. Kingsley met with Mr. Thomas Joyce, the Chief Executive Officer of Danaher, during which Messrs. Kingsley and Joyce primarily discussed Mr. Joyce's recent appointment as Chief Executive Officer. Also discussed were the respective business profiles of Pall and Danaher and the general possibility of Pall and Danaher collaborating on future business opportunities as well as Danaher's potential interest should Pall ever consider a sale transaction.

Later that evening, Mr. Kingsley had dinner with the Company A CEO, during which the Company A CEO indicated that Company A would be interested in a strategic transaction with Pall. The Company A CEO also noted that Company A was not currently in a position to make a formal offer. Mr. Kingsley noted to the Company A CEO that Mr. Kingsley would discuss Company A's general interest with the Pall board of directors if Company A had a specific proposal, offer or price.

Shortly after the January 14, 2015 dinner, Mr. Kingsley informed the Pall board of directors and members of Pall senior management of the interest expressed by the Company A CEO.

During the period between January 19, 2015 and January 22, 2015, the Company A CEO again contacted Mr. Kingsley to reiterate Company A's ongoing interest in a strategic transaction with Pall, but did not make a formal offer. Mr. Kingsley informed the Company A CEO that he would convey Company A's continued interest to the Pall board of directors.

On January 28, 2015, the Pall board of directors convened a telephonic meeting of the board. During the meeting, Mr. Kingsley updated the other members of the Pall board of directors on the most recent discussions that Mr. Kingsley had had with representatives of each of Danaher and Company A. Following Mr. Kingsley's update, Mr. Kingsley was excused from the meeting and the other members of the Pall board of directors met in executive session and discussed the recent conversations between Mr. Kingsley and representatives of each of Danaher and Company A.

On February 19, 2015, the Pall board of directors convened a telephonic meeting of the board. During the meeting, Mr. Kingsley noted that there had not been any further discussions with, or indications of interest from, any representatives of either Danaher or Company A. Following Mr. Kingsley's update, Mr. Kingsley was excused from the meeting and the other members of the Pall board of directors met in executive session.

In early March 2015, Mr. Joyce asked Mr. Kingsley if he would be available to have a meeting in New York, NY. Mr. Kingsley agreed to meet Mr. Joyce on March 19, 2015. At the March 19th meeting, Mr. Joyce handed Mr. Kingsley a letter setting forth a non-binding proposal for the acquisition of Pall by Danaher, which we refer to as the "Danaher March 19th Proposal" in this proxy statement. The letter indicated that Danaher was prepared to offer \$120.00 in cash per share of Pall common stock. Shortly after receiving the Danaher March 19th Proposal, Mr. Kingsley telephoned Mr. Hoffman to notify him of the proposal and also told members of Pall senior management. The other members of the Pall board of directors were notified shortly thereafter, and Mr. Kingsley scheduled a meeting of the Pall board of directors for March 25, 2015.

Between March 20, 2015 and March 24, 2015, Mr. Kingsley and other members of Pall senior management discussed with representatives of Shearman & Sterling the proper discharge of fiduciary duties under New York

**Table of Contents**

law of the Pall board of directors and members of Pall senior management with respect to the Danaher March 19th Proposal.

On March 24, 2015, Mr. Joyce called Mr. Kingsley to reiterate Danaher's interest in pursuing the Danaher March 19th Proposal and its desire to proceed on an exclusive and expedited basis. Mr. Kingsley informed Mr. Joyce that the Pall board of directors had been informed of and would be meeting to discuss the Danaher March 19th Proposal.

On March 25, 2015, the Pall board of directors held a telephonic meeting of the board. Additionally, at the request of the Pall board of directors, members of Pall senior management and representatives of Shearman & Sterling were present. Mr. Kingsley then updated the directors on the Danaher March 19th Proposal, and, following the update, the Pall board of directors engaged in an extensive discussion regarding the proposal. Mr. Jones then presented an updated version of Pall's financial model and the Pall board of directors engaged in a discussion regarding the assumptions and inputs of the model. The Pall board of directors further discussed the Danaher March 19th Proposal and various strategic alternatives potentially available to Pall to maximize shareholder value. Thereafter, representatives of Shearman & Sterling discussed the fiduciary duties under New York law of the Pall board of directors with respect to the Danaher March 19th Proposal and in connection with merger and acquisition activity in general. In connection with such discussions, the Pall board of directors discussed the need to retain formally a financial advisor. As Goldman Sachs was on retainer with Pall and had in the past provided financial advisory services to Pall, the Pall board of directors chose to approach Goldman Sachs to determine if they could act as financial advisor in connection with this matter. The Pall board of directors selected Goldman Sachs on the basis of its industry and transactional experience and past financial and investment banking advice that Goldman Sachs had provided to Pall. Throughout the discussion, the independent members of the Pall board of directors asked a number of questions of members of Pall senior management and the representatives of Shearman & Sterling, each of which were answered.

Following the March 25th meeting of the Pall board of directors, Mr. Kingsley, Mr. Jones and a representative of Shearman & Sterling called a representative of Goldman Sachs to discuss engaging Goldman Sachs as Pall's financial advisor in connection with the consideration and review of strategic alternatives by the Pall board of directors, including a possible sale of Pall. A representative of Goldman Sachs indicated that it would be willing to act as financial advisor to Pall. In connection with the formal engagement of Goldman Sachs, Ms. Behnia and representatives of Shearman & Sterling confirmed with representatives of Goldman Sachs that there were no conflicts that would prevent it from representing Pall and, subsequently, negotiated an engagement letter with Goldman Sachs. Upon reaching agreement with respect to the terms of such engagement, Goldman Sachs was formally engaged as financial advisor.

On March 26, 2015, Mr. Kingsley sent a letter to Mr. Joyce confirming that the Pall board of directors was considering the Danaher March 19th Proposal and would be discussing such proposal further at its next regularly scheduled board meeting in mid-April.

On April 2, 2015, Mr. Joyce and another senior executive of Danaher called Mr. Kingsley and requested that the process be expedited due to their heightened concern of leaks in the press about the Danaher March 19th Proposal. Mr. Kingsley noted that he would take this request to the Pall board of directors as it continued to review the Danaher March 19th Proposal. Shortly thereafter, Mr. Kingsley informed members of Pall senior management and Mr. Hoffman of Danaher's concerns.

Between April 2, 2015 and April 7, 2015, members of Pall senior management worked with representatives of Goldman Sachs and Shearman & Sterling to prepare the Pall board of directors to make an informed response to the Danaher March 19th Proposal.

On April 7, 2015, the Pall board of directors held a telephonic meeting of the board. At the request of the Pall board of directors, members of Pall senior management and representatives of Goldman Sachs and

## Table of Contents

Shearman & Sterling also were present on the call. A representative of Shearman & Sterling began the meeting by reminding the Pall board of directors of its fiduciary duties in the context of the Danaher March 19th Proposal, then such representative stated that the purpose of the meeting was, in advance of the Pall board of directors' regularly scheduled meeting on April 14, 2015, to provide the Pall board of directors with updated information on the business and its financial model and discuss Goldman Sachs' preliminary financial analysis of Pall. Members of Pall senior management then reviewed the updated model and explained the updated assumptions in detail and answered questions asked by the Pall board of directors. Representatives of Goldman Sachs then discussed its updated preliminary financial analysis with the Pall board of directors. In connection with this discussion, the Pall board of directors engaged in a detailed discussion with respect to maximizing value to shareholders.

Later in the meeting, in light of Danaher's request for an expedited process due to its heightened concern of leaks in the press regarding the Danaher March 19th Proposal, the Pall board of directors engaged in a discussion regarding whether or not other parties should be contacted to gauge additional interest in a transaction with Pall in advance of the upcoming April 14, 2015 board meeting. The Pall board of directors asked detailed questions of the representatives of Goldman Sachs and Shearman & Sterling regarding the potential advantages and disadvantages of contacting additional parties and which parties, if any, should be contacted in order to provide the Pall board of directors with more detailed information as it considered all available strategic alternatives. After deliberation, the Pall board of directors directed Goldman Sachs to contact Company A, in light of its previously expressed interest, in advance of the upcoming April 14, 2015 board meeting.

Following the April 7th board meeting, a representative of Goldman Sachs contacted the Company A CEO to inform him that Pall had received a formal proposal to acquire Pall and that the Pall board of directors would be considering such proposal at its upcoming regularly scheduled board meeting on April 14, 2015.

On April 10, 2015, Mr. Joyce notified Mr. Kingsley in a letter that, following the upcoming April 14, 2015 meeting of the Pall board of directors, Danaher expected that the Pall board of directors would provide a detailed response to the Danaher March 19th Proposal, and he reiterated Danaher's request that Pall be prepared to move expeditiously, because if it did not, Danaher would disengage.

On April 13, 2015, Company A submitted a non-binding proposal to acquire Pall in an all cash transaction with a purchase price of \$111.00 per share of Pall common stock.

On April 14, 2015, the Pall board of directors convened its regularly scheduled meeting of the board. Mr. Kingsley began the meeting with a discussion of Danaher's letter submitted on April 10, 2015. Mr. Kingsley also reviewed with the Pall board of directors Company A's non-binding proposal received on April 13, 2015. Mr. Kingsley then left the meeting and the Pall board of directors held an executive session of the independent directors to discuss the Danaher March 19 Proposal and Company A's non-binding proposal.

After the conclusion of the executive session, members of Pall senior management and representatives of Goldman Sachs and Shearman & Sterling joined the meeting. A representative of Shearman & Sterling reminded the Pall board of directors of its fiduciary duties in the context of the proposals received from each of Danaher and Company A and stated that the purpose of the meeting was to (i) provide the Pall board of directors with updated information on Pall's strategic plans and the financial model, (ii) discuss Goldman Sachs' updated financial analysis of Pall, (iii) review the proposals received from each of Danaher and Company A, (iv) discuss the other strategic alternatives available to Pall, and (v) determine the next steps to be taken in response to the proposals received from each of Danaher and Company A. Members of Pall senior management reviewed Pall's strategic plan and discussed other strategic alternatives available to Pall with the Pall board of directors. The Pall board of directors engaged in a detailed discussion during which they evaluated the assumptions and inputs underlying Pall's strategic plan and identified

strategic alternatives that could be available to Pall. A member of Pall senior management then provided an update on, and the Pall board of directors discussed, the mergers and



**Table of Contents**

acquisitions environment in the industries served by Pall. Representatives of Goldman Sachs also provided the Pall board of directors with further information on the mergers and acquisitions environment.

A representative of Goldman Sachs discussed with the Pall board of directors Goldman Sachs' updated financial analysis of Pall and the proposals received from each of Danaher and Company A. Throughout the presentation and discussion of the proposals received from each of Danaher and Company A, the Pall board of directors asked detailed questions of the representatives of Goldman Sachs, which such representatives answered. The Pall board of directors, together with representatives of Goldman Sachs and Shearman & Sterling, then engaged in a detailed discussion on how best to facilitate a process that would maximize shareholder value, including discussing the potential advantages and disadvantages of contacting other parties. The Pall board of directors also asked questions of Shearman & Sterling with respect to its fiduciary duties. After deliberation, the Pall board of directors determined that a third company, which we refer to as Company B in this proxy statement, should be contacted based on (i) its size and strategic profile, (ii) the fact that Company B operated in similar industries to the industries in which Pall operated, (iii) the financial capability of Company B to consummate a transaction at then-current market valuations, and (iv) the ability of Company B to move expeditiously, consistent with the proposed process. Based on the foregoing reasons, the Pall board of directors directed Goldman Sachs to contact Company B to determine Company B's interest in a potential transaction involving Pall.

Following the April 14th board meeting, the Pall board of directors determined after additional consideration that a fourth company, which we refer to as Company C in this proxy statement, which was previously considered and discussed at the April 14th board meeting, was another company that should be contacted for similar reasons as Company B. The Pall board of directors then notified a representative of Goldman Sachs that Company C should also be contacted.

At the direction of the Pall board of directors, representatives of Goldman Sachs communicated to Company A that the Pall board of directors did not consider Company A's initial offer of \$111.00 to be sufficient and that an improved offer would be required to continue in the process. Representatives of Company A communicated to representatives of Goldman Sachs that Company A may be able to improve its offer if it were provided with certain due diligence information regarding Pall.

During the evening of April 14, 2015, representatives of Goldman Sachs, at the direction of the Pall board of directors, distributed confidentiality agreements prepared by Shearman & Sterling to representatives of each of Danaher and Company A. At the request of Pall senior management, representatives of Shearman & Sterling negotiated the confidentiality agreements between Pall and each of Danaher and Company A. Pall entered into a confidentiality agreement with Company A on April 16, 2015 and, following discussions with Danaher's legal advisor, Skadden, Arps, Slate, Meagher & Flom LLP, which we refer to as Skadden in this proxy statement, a confidentiality agreement with Danaher on April 21, 2015. Each confidentiality agreement contained a standstill in favor of Pall, which generally prohibited each of Danaher and Company A from making public proposals to acquire Pall, acquiring Pall securities or taking similar actions. Pursuant to the terms of each confidentiality agreement, the standstill provisions no longer apply following the execution of the merger agreement.

On April 15, 2015, at the direction of the Pall board of directors, representatives of Goldman Sachs discussed with representatives of Company A the limited financial due diligence that Company A would require to revise its April 13, 2015 non-binding proposal. Following those discussions, representatives of Goldman Sachs and members of Pall senior management discussed what information would be made available to Company A and arranged for a meeting to occur on April 17, 2015 between members of Pall senior management and representatives of Company A.

Between April 16, 2015 and April 20, 2015, representatives of Goldman Sachs, at the direction of the Pall board of directors, contacted representatives of Company B and Company C regarding their respective interests in a potential transaction involving Pall.

**Table of Contents**

On April 17, 2015, members of Pall senior management and representatives of Goldman Sachs met with senior executives of Company A to discuss certain financial information in respect of Pall. Later that evening, Company A submitted a revised non-binding proposal to acquire Pall in an all cash transaction with a purchase price range of \$114.00 to \$117.00 per share of Pall common stock.

On April 20, 2015, Mr. Kingsley convened a call with the other members of the Pall board of directors to update them on the process and next steps.

On April 21, 2015, Pall provided representatives of each of Danaher and Company A with access to a virtual data room containing materials in respect of Pall for purposes of each party's due diligence investigation. Representatives of each of Danaher and Company A also submitted due diligence request lists to Pall on April 22, 2015. The provision of due diligence information continued through the execution of the merger agreement on May 12, 2015.

On April 22, 2015, a representative of Company B notified a representative of Goldman Sachs that Company B was not interested in pursuing a potential transaction involving Pall, and a representative of Company C notified a representative of Goldman Sachs that Company C also was not interested in pursuing a potential transaction. Mr. Kingsley was informed by a representative of Goldman Sachs that neither Company B nor Company C wished to pursue a transaction, and shortly thereafter, he informed the Pall board of directors and members of Pall senior management.

On April 24, 2015, representatives of Danaher attended a management presentation by members of Pall senior management, which presentation included certain financial forecasts that were discussed with and reviewed by the Pall board of directors prior to being included in such presentation. See the section entitled *Certain Financial Forecasts* beginning on Page 58 of this proxy statement for additional information on the financial forecasts provided to Danaher, the Pall board of directors and Goldman Sachs. Representatives of Company A attended a similar management presentation on April 27, 2015. In addition, representatives of each of Danaher and Company A conducted extensive due diligence on Pall, including reviewing the materials provided in the virtual data room, scheduling and participating in due diligence conference calls, attending follow-up meetings, and conducting site visits.

On April 26, 2015, a draft merger agreement, prepared by representatives of Shearman & Sterling, which we refer to as the *draft merger agreement* in this proxy statement, was made available to representatives of each of Danaher and Company A in the virtual data room. Among other things, the draft merger agreement included limited termination rights in respect of deal protection provisions, an obligation for the potential purchaser to commit to make divestitures if required in connection with obtaining required regulatory approvals and a proposal that the termination fee be set at 2% of the equity value of the transaction, with such fee serving as the exclusive remedy for a termination of the merger agreement in circumstances where such fee was payable.

On April 28, 2015, Mr. Kingsley convened a call with the other members of the Pall board of directors. Mr. Kingsley updated the Pall board of directors on (i) the process in respect of a potential transaction involving Pall, (ii) the activity levels of the representatives of each of Danaher and Company A with respect to due diligence, and (iii) the due diligence discussions that representatives of Pall and Goldman Sachs had had with representatives of each of Danaher and Company A. Following Mr. Kingsley's update, the Pall board of directors discussed process, potential negotiation tactics, and other related matters.

On April 30, 2015, Goldman Sachs, at the request of the Pall board of directors, delivered a process letter to representatives of each of Danaher and Company A. The process letter requested that each submit its definitive proposal in respect of a potential transaction involving Pall by 12:00 p.m. ET on May 12, 2015. In addition, the

process letter requested that each submit its mark-up of the draft merger agreement by 5:00 p.m. ET on May 6, 2015.

**Table of Contents**

On May 5, 2015, Mr. Kingsley convened a call with the other members of the Pall board of directors to update them on the process and next steps.

On May 6, 2015, representatives of Skadden and the legal advisor for Company A provided representatives of Shearman & Sterling with their proposed mark-ups of the draft merger agreement. On May 7, 2015, members of Pall senior management and representatives of Goldman Sachs and Shearman & Sterling held a conference call to discuss the key issues raised by each mark-up of the draft merger agreement, which, in the case of the Danaher mark-up, included expanded termination rights in respect of the deal protection provisions, the events under which the termination fee would be payable, and a proposal that the termination fee be set at 3.75% of the equity value of the transaction, but that such termination fee would not be Danaher's sole remedy in the case of any intentional breach of the merger agreement. The Danaher mark-up reflected Danaher's agreement to the regulatory efforts proposal included in the initial Pall draft merger agreement.

On May 8, 2015, representatives of Shearman & Sterling held telephonic meetings with representatives of the legal advisors for each of Danaher and Company A to provide each with feedback on their respective mark-up of the draft merger agreement for consideration prior to the final proposal date of May 12, 2015.

On May 11, 2015, *The Wall Street Journal* published an article reporting that Pall was nearing a potential sale. That evening, representatives of Danaher contacted Goldman Sachs and requested that the process be accelerated as a result of the press reports. Following deliberations among members of Pall senior management, the Pall board of directors and representatives of each of Goldman Sachs and Shearman & Sterling, representatives of Goldman Sachs contacted representatives of each of Danaher and Company A to inform each company that, if it so desired, it could accelerate delivery of its respective mark-up of the draft merger agreement and submit its definitive proposal earlier in the day on May 12, 2015. Later that night on May 11, 2015, a representative of Skadden submitted Danaher's revised mark-up of the draft merger agreement to representatives of Shearman & Sterling.

Shortly after 12:00 p.m. on May 12, 2015, Pall received final proposals from each of Danaher and Company A. Each proposed to acquire Pall in an all cash transaction: Danaher for \$122.00 per share of Pall common stock, and Company A for \$120.00 per share of Pall common stock. Company A's proposal included a mark-up of the draft merger agreement and an executed debt commitment letter. Following submission of the proposals, a representative of Goldman Sachs communicated to each of the financial advisors of Danaher and Company A that each would have the opportunity to submit a best and final proposal by 4:00 p.m. that afternoon, as the Pall board of directors planned to convene a meeting at 5:30 p.m. to review all best and final proposals. Following these discussions, the financial advisors and certain representatives of each of Danaher and Company A engaged in discussions with members of Pall senior management and representatives of Goldman Sachs regarding the financial aspects of their respective proposals. Prior to the submission of the best and final offers, each of Danaher and Company A increased the amount of the all cash purchase price proposed to be offered to Pall.

Prior to the 5:30 p.m. meeting of the Pall board of directors, representatives of Shearman & Sterling provided the legal advisors of each of Danaher and Company A with mark-ups of the draft merger agreements submitted with their respective proposals. The legal advisors of each of Danaher and Company A provided comments to the revised drafts of the merger agreement prepared by representatives of Shearman & Sterling. Following which, representatives of Shearman & Sterling engaged in negotiations with each company's legal advisor in respect of each party's mark-up of the draft merger agreement.

On May 12, 2015 at 5:30 p.m., the Pall board of directors convened a telephonic meeting of the board. In addition, at the request of the Pall board of directors, members of Pall senior management and representatives from Goldman Sachs and Shearman & Sterling joined the meeting. A representative of Goldman Sachs began the meeting by

reviewing the events that had occurred since May 6, 2015, including the due diligence process conducted by each of Danaher and Company A and their respective representatives. In addition, the representative of Goldman Sachs discussed with the Pall board of directors that in light of the deadline for

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**Table of Contents**

submitting best and final proposals, both Danaher and Company A had submitted proposals, including mark-ups of the draft merger agreement. The representatives of Goldman Sachs then reported that each proposed to acquire Pall in an all cash transaction: Danaher for \$127.20 per share of Pall common stock, and Company A for \$125.50 per share of Pall common stock. A representative of Shearman & Sterling then reviewed the terms of the merger agreements negotiated with each of Danaher and Company A, including, but not limited to, a comparison of the financing and regulatory review requirements of each. The Pall board of directors discussed the proposals in detail, including purchase price, the proposed revisions to the draft merger agreement and a comparison of the deal certainty inherent in each proposal. Representatives of Shearman & Sterling answered the questions asked by the Pall board of directors. The representatives of Shearman & Sterling next discussed with the Pall board of directors the fiduciary duties of the directors under New York law in the context of its consideration of a sale of Pall and each of Danaher's and Company A's proposals. The Pall board of directors asked questions of the representatives of Shearman & Sterling, which such representatives answered.

In light of the more favorable terms of Danaher's proposal that the Pall board of directors considered to be in the best interests of the shareholders of Pall, the Pall board of directors asked representatives of Shearman & Sterling to summarize again the principal terms of the proposed merger agreement with Danaher. The representatives of Shearman & Sterling then reviewed in detail the principal terms of the merger agreement, including, among other matters, (i) the financial terms of the transaction, including details pertaining to the consideration of \$127.20 per share of Pall common stock, (ii) the representations and warranties of Pall and Danaher, (iii) the covenants of each of the parties and the respective conditions to the parties' obligations to consummate the merger, (iv) the deal protection provisions, including with respect to non-solicitation of offers and termination fee and the events under which the termination fee would be payable, and (v) the termination provisions. A discussion among the members of the Pall board of directors ensued and the representatives of Shearman & Sterling responded to questions of the directors.

The representatives of Goldman Sachs then presented to the Pall board of directors its financial analysis of Danaher's proposal of \$127.20 per share of Pall common stock. Following the presentation, Goldman Sachs rendered its oral opinion to the Pall board of directors, which opinion was subsequently confirmed in a written opinion dated May 12, 2015, to the effect that, as of the date of the opinion and subject to certain assumptions, qualifications, limitations and other matters set forth in the written opinion, the merger consideration to be paid to the holders of shares of Pall common stock pursuant to the merger agreement was fair, from a financial point of view, to such holders (a copy of the written opinion of Goldman Sachs is attached to this proxy statement as Annex B). Please see the discussion in the section entitled *Opinion of Pall's Financial Advisor* beginning on Page 42 of this proxy statement for a more detailed description of the Goldman Sachs' financial analyses and the opinion rendered by Goldman Sachs to the Pall board of directors.

After careful deliberation, including consideration of the factors described in the section entitled *Reasons for the Merger* beginning on page 39 of this proxy statement, the board of directors unanimously (i) determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to, and in the best interests of, Pall and its shareholders, (ii) adopted the merger agreement, (iii) approved the transactions contemplated by the merger agreement, including the merger, (iv) recommended the adoption of the merger agreement by the shareholders of Pall and (v) directed that the adoption of the merger agreement be submitted to a vote of the shareholders of Pall.

Following the conclusion of the board meeting, Pall and Danaher executed the merger agreement.

On May 13, 2015, Pall and Danaher issued separate press releases publicly announcing entry into the merger agreement.





**Table of Contents**

**Reasons for the Merger**

In evaluating the merger and the merger agreement, the Pall board of directors consulted with senior management as well as Pall's legal and financial advisors. In determining to adopt the merger agreement and approve the merger and recommend that Pall's shareholders vote their shares of Pall common stock in favor of the proposal to adopt the merger agreement, the Pall board of directors also considered a number of reasons, including the following (not necessarily in order of relative importance):

its belief, based on discussions and negotiations by Pall's senior management and advisors with Danaher and other potentially interested parties, that the merger consideration (which Danaher increased from an initial \$120 per share of Pall common stock to the final \$127.20 per share of Pall common stock during the course of negotiations, as described in the section entitled *Background of the Merger* beginning on Page 30 of this proxy statement) was the highest price Danaher or any other interested party would be willing to pay;

its belief that the price of Pall common stock in the short or medium term was highly unlikely to exceed the future value equivalent of the merger consideration;

the trading price of Pall common stock, both on an absolute basis and on the basis of trading multiples relative to Pall's peers, which reached (prior to the initial news reports surrounding a potential sale of Pall) a high closing stock price of \$99.31 on May 11, 2015 and, as of May 11, 2015, had increased 18.7% over the preceding year and decreased 1.9% over the preceding three months, and the opportunity to secure that price plus a substantial premium for Pall's shareholders;

the fact that the merger consideration represents:

a 28.1% premium over closing stock price of \$99.31 on May 11, 2015 (the last trading day before the initial news reports surrounding the merger);

a 39.8% premium over the volume weighted average price for the shares of Pall common stock over the 12 month period ended as of May 11, 2015 (the last trading day before the initial news reports surrounding the merger);

a multiple of 20.8 times Pall's earnings before interest, taxes, depreciation and amortization, which we refer to as EBITDA in this proxy statement, for the four quarter period ended April 30, 2015;

the financial analyses presented to the Pall board of directors by Goldman Sachs, as more fully described below under the caption *Opinion of Pall's Financial Advisor* beginning on Page 42 of this proxy statement, and the Pall board of directors' assessment, taking into account these financial analyses, of Pall's value on a standalone basis relative to the \$127.20 per share of Pall common stock in cash to be paid in the

merger;

the opinion, dated May 12, 2015, of Goldman Sachs to the Pall board of directors with respect to the fairness, from a financial point of view, to the holders of Pall common stock of the \$127.20 in cash per share of Pall common stock to be paid to such holders pursuant to the merger agreement, as more fully described under the caption *Opinion of Pall's Financial Advisor* beginning on Page 42 of this proxy statement;

the Pall board of directors' familiarity with Pall's business, operations, assets, properties, business strategy and competitive position and the nature of the industries in which Pall operates, industry trends, and economic and market conditions, both on a historical and on a prospective basis;

the financial condition and prospects of Pall, as well as the risks involved in achieving those prospects and the risks and uncertainties associated with operating Pall's business, including the risks described in Pall's filings with the SEC;

its belief that, based on its knowledge and discussions with Pall's senior management regarding Pall's business, financial condition, results of operations, competitive position, business strategy and

**Table of Contents**

prospects, as well as the risks involved in achieving these prospects, after consideration of potential strategic alternatives, including continuing to operate Pall on a standalone basis, a recapitalization, a merger of equals with another competitor, a spin-off or sale of one of its businesses or growth of Pall through acquisitions, and the potential value to Pall shareholders of such alternatives and the timing and likelihood of actually achieving additional value for Pall shareholders from these alternatives, that none of these options, on a risk-adjusted basis, was reasonably likely to create value for Pall shareholders greater than the merger consideration;

its belief, based on the Pall board of directors' general knowledge of Danaher's business, operations, management, reputation and strong financial condition, that there was a high probability that the merger would be consummated successfully on the agreed-upon terms after a merger agreement was entered into with Danaher;

the fact that the merger consideration consists solely of cash (which provides certainty of value and liquidity to Pall shareholders and does not expose them to any future risks related to the business or the financial markets generally, as compared to a transaction in which shareholders receive shares or other securities, or as compared to remaining independent) and that the merger is not subject to any financing conditions;

Pall's right under the merger agreement to respond to third parties submitting acquisition proposals by providing information subject to a confidentiality agreement, and to engage in negotiations or discussions with such persons, if the Pall board of directors, prior to taking any such actions, determines in good faith that such acquisition proposal either constitutes a superior proposal or could reasonably be expected to result in a superior proposal (as defined in the section entitled *Terms of the Merger Agreement - No Solicitation by Pall of Acquisition Proposals; Changes in Board Recommendation* beginning on Page 76 of this proxy statement);

the right of the Pall board of directors, under certain circumstances specified in the merger agreement, to withdraw, qualify or modify its recommendation that our shareholders adopt the merger agreement;

Pall's ability to terminate the merger agreement in order to enter into a definitive agreement that the Pall board of directors determines to be a superior proposal, subject to certain conditions set forth in the merger agreement (including Danaher's right to have an opportunity to revise the terms of the merger agreement);

the belief that the terms of the merger agreement, taken as a whole, provide a high degree of protection against risk that the consummation of the merger will be unduly delayed or that the merger will not be consummated;

the other terms of the merger agreement, including:

the customary nature of the representations and warranties of Pall and Danaher in the merger agreement;

the conditions to closing in the merger agreement, including the absence of any financing condition;

the commitment by Danaher to obtain applicable consents and approvals under antitrust and similar laws and assume the risks related to certain conditions and requirements that may be imposed by a governmental authority in connection with securing such consents and approvals;

the fact that the merger agreement was the product of arms-length negotiations and contains terms and conditions that are, in the Pall board of directors' view, favorable to Pall and its shareholders;

the requirement that the merger will only be effective if approved by the holders of at least two-thirds of all outstanding shares of Pall common stock and the absence of any voting commitments by management or other shareholders, providing the shareholders with the right to approve or disapprove of the merger;

**Table of Contents**

Pall's ability to specifically enforce Danaher's obligations under the merger agreement, including Danaher's obligations to consummate the merger, and Pall's ability to seek damages (including the loss of the benefit of the merger and any lost shareholder premium) upon any intentional breach by Danaher of the merger agreement; and

the continued costs, risks and uncertainties associated with continuing to operate independently as a public company.

In addition, the Pall board of directors considered a number of uncertainties, risks and other factors in its deliberations concerning the merger and the other transactions contemplated by the merger agreement, including the following (not necessarily in order of relative importance):

the non-solicitation provisions of the merger agreement that restrict Pall's ability to solicit or engage in discussions or negotiations with third parties regarding a proposal to acquire Pall, and the fact that, upon termination of the merger agreement under certain specified circumstances, Pall will be required to pay a termination fee of \$423,194,400 in cash, which could have the effect of discouraging alternative proposals for a business combination with Pall; however, the Pall board of directors also noted that the termination fee provisions of the merger agreement were a necessary aspect of assuring Danaher's entry into the merger agreement and, after consultation with Pall's advisors, the Pall board of directors determined that the termination fee provisions of the merger agreement were reasonable and not likely to preclude an alternative superior proposal for a business combination with Pall;

the fact that the merger agreement restricts Pall's ability to engage in certain activities between the date of the merger agreement and the effective time of the merger, including the payment of dividends (which, over the past three quarters, have been equal to \$0.305 per share of Pall common stock), and that these restrictions could prevent Pall from taking advantage of business opportunities, such as potential acquisitions, which would be advisable if Pall were to remain an independent company, but the Pall board of directors believed that these restrictions would not unduly interfere with Pall's ability to operate in the ordinary course of business;

the fact that the merger may not be consummated unless and until specified conditions are satisfied or waived as more fully described under the caption *Terms of the Merger Agreement Conditions to Consummation of the Merger* beginning on Page 84 of this proxy statement;

the potential risk and costs to Pall if the merger does not close, including the potential distraction of employee and management attention during the pendency of the merger, possible employee attrition, the possible impact on customer relationships, the potential effect on existing relationships with other parties, and the impact that the failure of the merger to close could have on the trading price of shares of Pall common stock, Pall's operating results (including the costs incurred in connection with the transactions) and Pall's ability to maintain sales, but the Pall board of directors believed that these risks were reasonable and worthwhile to undertake considering the terms of the merger agreement, including the likelihood that conditions to closing would be satisfied, and the absence of a financing condition;

the fact that receipt of the merger consideration in exchange for shares of Pall common stock pursuant to the merger would generally be a taxable transaction for United States federal income tax purposes described in the section entitled *U.S. Federal Income Tax Consequences of the Merger* beginning on Page 61 of this proxy statement;

the fact that the all-cash price, while providing relative certainty of value, would not allow Pall shareholders to participate, on a tax-efficient basis, in any future appreciation of Danaher's stock or benefit from any future appreciation in the value of Pall after the merger; and

the fact that under New York law, Pall shareholders would not be entitled to appraisal or dissenters' rights with respect to the merger.

During its consideration of the merger, the Pall board of directors also was aware of the fact that some of Pall's directors and executive officers have interests in the merger that differ from or are in addition to their

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**Table of Contents**

interests as those of Pall's shareholders generally, which interests are described in the section entitled *Interests of Pall's Directors and Executive Officers in the Merger* beginning on Page 49 of this proxy statement.

*The foregoing description of the information and factors considered by the Pall board of directors is not meant to be an exhaustive but is believed to address the material information and factors considered. In view of the wide variety of factors considered by the Pall board of directors, it did not consider it practicable to, nor did it attempt to, quantify or to give relative weights to the various factors in reaching its determinations and recommendation. Moreover, in considering the factors discussed above, each individual director applied his or her own personal business judgment to the process and may have given different weights to different factors. The Pall board of directors did not undertake to make any specific determination as to whether any factor, or any particular aspect of any factor, supported or did not support its ultimate determination. The Pall board of directors based its recommendation on the totality of the information presented.*

**Recommendation of the Pall Board of Directors**

The Pall board of directors, after considering all factors that the Pall board of directors deemed relevant, and after consultation with independent legal and financial advisors, unanimously determined that the merger agreement and the transactions contemplated thereby, including the merger, are fair to and in the best interests of Pall and its shareholders, and unanimously adopted the merger agreement and approved the transactions contemplated thereby, including the merger. Certain factors considered by the Pall board of directors in reaching its decision to adopt the merger agreement and the merger can be found in the section entitled *Reasons for the Merger* beginning on Page 39 of this proxy statement.

**The Pall board of directors unanimously recommends that Pall shareholders vote FOR the adoption of the merger agreement, thereby approving the merger.**

**Opinion of Pall's Financial Advisor**

At a meeting of the Pall board of directors held on May 12, 2015, Goldman Sachs rendered its oral opinion to the Pall board of directors, subsequently confirmed in writing, to the effect that, as of May 12, 2015, and based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the \$127.20 in cash per share of Pall common stock to be paid to the holders of shares of Pall common stock pursuant to the merger agreement was fair from a financial point of view to those holders.

**The full text of the written opinion of Goldman Sachs, dated May 12, 2015, which sets forth the assumptions made, procedures followed, matters considered, qualifications and limitations on the review undertaken in connection with the opinion, is attached to this proxy statement as Annex B. The summary of the Goldman Sachs opinion contained in this proxy statement is qualified in its entirety by reference to the full text of Goldman Sachs' written opinion. Goldman Sachs' advisory services and opinion were provided for the information and assistance of the Pall board of directors in connection with its consideration of the proposed merger and such opinion does not constitute a recommendation as to how any holder of shares of Pall common stock should vote with respect to the proposed merger or any other matter.**

In connection with rendering its opinion described above, Goldman Sachs reviewed, among other things:

the merger agreement;

annual reports to shareholders and Annual Reports on Form 10-K of Pall for the five fiscal years ended July 31, 2014;

certain interim reports to shareholders and Quarterly Reports on Form 10-Q of Pall;

a draft of the consolidated balance sheet of Pall as of April 30, 2015 prepared by the management of Pall;



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**Table of Contents**

certain publicly available research analyst reports for Pall; and

certain internal financial analyses and forecasts for Pall prepared by its management, as approved for Goldman Sachs' use by Pall, which we refer to as the "Forecasts" in this proxy statement.

Goldman Sachs also held discussions with members of the senior management of Pall regarding their assessment of the past and current business operations, financial condition and future prospects of Pall; reviewed the reported price and trading activity for the shares of Pall common stock; compared certain financial and stock market information for Pall with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the life sciences industry; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of rendering its opinion, Goldman Sachs, with the consent of Pall, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, it, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed, with the consent of Pall, that the Forecasts had been reasonably prepared on a basis reflecting the best currently available estimates and judgments of Pall's management. Goldman Sachs had not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Pall or any of its subsidiaries and Goldman Sachs had not been furnished with any such evaluation or appraisal. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the proposed merger would be obtained without any adverse effect on the expected benefits of the proposed merger in any way meaningful to its analysis. Goldman Sachs assumed that the proposed merger would be consummated on the terms set forth in the merger agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs' opinion did not address the underlying business decision of Pall to engage in the proposed merger, or the relative merits of the proposed merger as compared to any strategic alternatives that may be available to Pall; nor did it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view to the holders of shares of Pall common stock, as of the date of its opinion, of the \$127.20 in cash per share of Pall common stock to be paid to those holders pursuant to the merger agreement. Goldman Sachs did not express any view on, and its opinion did not address, any other term or aspect of the merger agreement or the proposed merger or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the proposed merger, including the fairness of the proposed merger to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of Pall; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Pall, or class of such persons, in connection with the proposed merger, whether relative to the \$127.20 in cash per share of Pall common stock to be paid to the holders of shares of Pall common stock pursuant to the merger agreement or otherwise. Goldman Sachs did not express any opinion as to the impact of the proposed merger on the solvency or viability of Pall or Danaher or the ability of Pall or Danaher to pay their respective obligations when they come due. Goldman Sachs' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, May 12, 2015, the date of its opinion, and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after May 12, 2015. Goldman Sachs' advisory services and its opinion were provided for the information and assistance of the Pall board of directors in connection with its consideration of the proposed merger, and its opinion does not constitute a recommendation as to how any holder of shares of Pall common stock would vote with respect to the proposed merger or any other matter. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.



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**Table of Contents***Summary of Financial Analyses*

The following is a summary of the material financial analyses presented by Goldman Sachs to the Pall board of directors in connection with rendering its opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before May 11, 2015, and is not necessarily indicative of current market conditions.

*Implied Premia and Multiple Analysis*

Goldman Sachs analyzed the \$127.20 price per share of Pall common stock in the proposed merger in relation to (i) the closing share price of Pall common stock on May 11, 2015, the last completed trading day prior to media reports of a pending transaction involving Pall, and (ii) the volume weighted average price for the shares of Pall common stock over the 12 month period ended as of May 11, 2015. Goldman Sachs also analyzed the closing share price of Pall common stock on May 11, 2015 in relation to the volume weighted average price for the shares of Pall common stock over the 12 month period ended as of May 11, 2015.

This analysis indicated that:

the \$127.20 price per share of Pall common stock represented:

a premium of 28.1% to the closing share price of Pall common stock on May 11, 2015;

a premium of 39.8% to the volume weighted average price for the shares of Pall common stock over the 12 month period ended as of May 11, 2015; and

the closing share price of Pall common stock on May 11, 2015 exceeded by 9.1% the volume weighted average price for the shares of Pall common stock over the 12 month period ended as of May 11, 2015.

In addition, Goldman Sachs calculated implied equity values for Pall based on the closing price per share of Pall common stock as of May 11, 2015, which we refer to as the *Pall May 11 Equity Value* in this proxy statement, and based on the \$127.20 price per share of Pall common stock, which we refer to as the *Pall Transaction Equity Value* in this proxy statement, by multiplying such prices per share of Pall common stock by the number of fully diluted outstanding shares of Pall common stock, calculated based on information provided by Pall management. Goldman Sachs also calculated implied enterprise values for Pall based on the closing price per share of Pall common stock as of May 11, 2015, which we refer to as the *Pall May 11 Enterprise Value* in this proxy statement, and based on the \$127.20 price per share of Pall common stock, which we refer to as the *Pall Transaction Enterprise Value* in this proxy statement, by adding to Pall May 11 Equity Value and Pall Transaction Equity Value, respectively, Pall's net debt as of April 30, 2015, as provided by Pall management.

Goldman Sachs calculated the following implied multiples for Pall:

Pall May 11 Enterprise Value and Pall Transaction Enterprise Values as multiples of:

Pall's EBITDA for the four quarter period ended April 30, 2015, which we refer to as LTM EBITDA in this proxy statement, as provided by Pall senior management;

Pall management's estimate of Pall's EBITDA for the fiscal year ended July 31, 2015, which we refer to as FY 2015 in this proxy statement, as reflected in the Forecasts;

the median estimate of Pall's EBITDA for FY 2015 most recently published by International Broker's Estimate System, which we refer to as IBES in this proxy statement; and

**Table of Contents**

the closing price per share of Pall common stock as of May 11, 2015 and the \$127.20 price per share of Pall common stock in the proposed merger as multiples of:

Pall senior management's estimate of Pall's earnings per share, which we refer to as "EPS" in this proxy statement, for FY 2015, as reflected in the Forecasts; and

the median estimate of Pall's EPS for FY 2015 most recently published by IBES.

The results of these calculations are as follows:

	Multiples Based on May 11, 2015 Closing Price	Multiples Based on \$127.20 Merger Price Per Share of Pall Common Stock
<b>Enterprise Value as a Multiple of:</b>		
LTM EBITDA	16.2x	20.8x
FY 2015E EBITDA (Management)	16.5x	21.2x
FY 2015E EBITDA (IBES)	16.6x	21.3x
<b>Price Per Share of Pall Common Stock as a Multiple of:</b>		
FY 2015E EPS (Management)	27.1x	34.8x
FY 2015 EPS (IBES)	26.8x	34.4x

*Selected Transactions Analysis*

Goldman Sachs analyzed certain publicly available information relating to the acquisitions transactions listed below announced since January 2008 involving target companies in the life sciences industry. With respect to each of these transactions, Goldman Sachs calculated the enterprise value of the target company based on the transaction price as a multiple of EBITDA of the target company over the last four quarter period prior to the announcement of the transaction, which we refer to as "LTM EBITDA Multiple" in this proxy statement, based on publicly available information regarding each transaction. The results of this analysis are listed below:

Announcement Date	Acquiror	Target	LTM EBITDA Multiple
12/13/2010	Thermo Fisher Scientific Inc.	Dionex Corporation	20.5x
9/22/2014	Merck KGaA	Sigma-Aldrich Corporation	19.8x
2/23/2015	Asahi Kasei Corporation	Polypore International, Inc.	18.9x*
2/28/2010	Merck KGaA	Millipore Corporation	17.4x
4/15/2013	Thermo Fisher Scientific Inc.	Life Technologies Corporation	13.2x
6/12/2008	Invitrogen Corporation	Applied Biosystems Group	12.9x
7/27/2009	Agilent Technologies Inc.	Varian Inc.	12.1x

\* The implied LTM EBITDA Multiple for the simultaneous acquisition by 3M Co. of Polypore International Inc. 's separations media business was 12.0x.

Although none of the selected transactions is directly comparable to the proposed merger, the target companies in the selected transactions were companies with operations that, for the purposes of analysis, may be considered similar to certain of Pall 's financial results, and as such, for purposes of analysis, the selected transactions may be considered similar to the proposed merger. In addition, each of the transactions provided for consideration consisting entirely of cash, other than the Invitrogen Corporation/Applied Biosystems Group transaction in which the consideration consisted of a combination of cash and stock.

Based on its review of the LTM EBITDA Multiples it calculated for the selected transactions and its professional judgment and experience, Goldman Sachs applied illustrative LTM EBITDA Multiples ranging

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**Table of Contents**

from 12.0x to 20.0x to Pall's EBITDA for the four quarter period ended April 30, 2015, as provided by Pall senior management, to derive a range of illustrative enterprise values for Pall. Goldman Sachs subtracted from this range of illustrative enterprise values Pall's net debt as of April 30, 2015, as provided by Pall management, and divided the results by the number of fully diluted outstanding shares of Pall common stock, calculated based on information provided by Pall management, to derive illustrative values for the shares of Pall common stock ranging from \$74 to \$122.

*Present Value of Future Stock Price Analysis*

Goldman Sachs calculated illustrative ranges of implied present values per share of Pall common stock based on theoretical future values for the shares of Pall common stock and Pall senior management's estimates of the dividends per share of Pall common stock to be paid by Pall during future periods as follows:

Goldman Sachs derived a range of theoretical future values for the shares of Pall common stock as of the end of Pall's fiscal years ending as of July 31, 2015, 2016 and 2017, which we refer to as FYE 2015, FYE 2016 and FYE 2017 in this proxy statement, respectively, by applying an illustrative range of multiples of 20x to 25x to Pall senior management's estimate of Pall's EPS for Pall's following fiscal year. Applying a discount rate of 10.4%, reflecting an estimate of Pall's cost of equity, Goldman Sachs discounted to present value as of April 30, 2015 the range of theoretical future values it derived as of FYE 2015, FYE 2016 and FYE 2017 and management's estimates of the amount and timing of the dividends per share of Pall common stock to be paid by Pall through FYE 2015, FYE 2016 and FYE 2017 to derive illustrative present values for the shares of Pall common stock ranging from \$80 to \$107.

*Discounted Cash Flow Analysis*

Goldman Sachs performed a discounted cash flow analysis of Pall to derive a range of illustrative present values per share of Pall common stock. Using discount rates ranging from 9.0% to 11.0%, reflecting an estimate of Pall's weighted average cost of capital, Goldman Sachs discounted to present value as of April 30, 2015, (i) estimates of the unlevered free cash flow to be generated by Pall during the period from April 30, 2015 through the end of Pall's fiscal year ended July 31, 2020, which we refer to as FY 2020 in this proxy statement, reflected in the Forecasts, and (ii) a range of illustrative terminal values for Pall as of July 31, 2020 calculated by applying perpetuity growth rates ranging from 3.0% to 4.0% to a terminal year estimate of the unlevered free cash flow to be generated by Pall, as reflected in the Forecasts. Goldman Sachs derived ranges of illustrative enterprise values for Pall by adding the ranges of present values it derived based on the estimated unlevered free cash flows of Pall for the period from April 30, 2015 through FY 2020 and the ranges of present value it derived based on the illustrative terminal values for Pall as of July 31, 2020. Goldman Sachs subtracted from the range of illustrative enterprise values it derived for Pall's net debt as of April 30, 2015, as provided by Pall management, and divided the results by the number of fully diluted outstanding shares of Pall common stock, calculated based on information provided by Pall management, to derive illustrative present values for the shares of Pall common stock ranging from \$73 to \$113.

**Table of Contents***Selected Transactions Premia Analysis*

Goldman Sachs analyzed certain publicly available information relating to the all-cash acquisitions transactions listed below announced in the last ten years reflecting transaction values between \$10 billion and \$15 billion. With respect to each of these transactions, Goldman Sachs calculated the one day premium represented by the announced per share transaction price to the closing price of the target company's common stock on the last trading day before the public announcement of the transaction (or the last undisturbed closing price for the target company's common stock). The results of this analysis are listed below:

Announcement			Transaction Enterprise Value	One Day Premium
Date	Target	Acquiror		
2/27/2006	KeySpan Corp	National Grid PLC	\$ 11.9	16%
6/27/2006	Univision Communications Inc.	Umbrella Holdings LLC	\$ 13.4	19%
4/23/2007	MedImmune Inc.	AstraZeneca PLC	\$ 14.7	21%
5/13/2008	Electronic Data Systems Corp	Hewlett Packard Co	\$ 13.0	33%
9/8/2008	UST Inc	Altria	\$ 11.6	29%
5/29/2013	NV Energy Inc	MidAmerican Energy / Berkshire Hathaway	\$ 10.4	20%
4/30/2014	Pepco Holding Inc	Exelon Corp	\$ 12.2	20%
7/10/2014	TRW Automotive Holdings Corp	ZF Friedrichshafen AG	\$ 13.3	16%
3/30/2015	Catamaran Corp	UnitedHealth Group Inc	\$ 13.2	27%
		High		33%
		Low		16%
		Median		20%

Although none of the selected transactions is directly comparable to the proposed merger, the selected transactions involved all-cash transactions with transaction values in a range similar to the enterprise value of Pall based on the \$127.20 price per share of Pall common stock. As such, for the purposes of this analysis, the selected transactions may be considered similar to the proposed merger.

Based on their review of the implied premia for the selected transactions and its professional judgment and experience, Goldman Sachs applied illustrative premia ranging from 33.0% to 16.0% to the closing price for the shares of Pall common stock as of May 11, 2015 to derive illustrative values for the shares of Pall common stock ranging from \$115 to \$132.

*General*

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying the opinion of Goldman Sachs. In arriving at its fairness determinations, Goldman Sachs considered the results of all of the analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of the analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Pall or the proposed transaction.



Goldman Sachs prepared these analyses for purposes of providing its opinion to the Pall board of directors as to the fairness from a financial point of view to the holders of shares of Pall common stock, as of the date of its opinion, of the \$127.20 in cash per share of Pall common stock to be paid to those holders pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon projections of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested

## **Table of Contents**

by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Pall, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecasts.

The consideration payable to holders of shares of Pall common stock was determined through arm's-length negotiations between Pall and Danaher and was approved by the Pall board of directors. Goldman Sachs provided advice to Pall during these negotiations. Goldman Sachs did not recommend any specific amount of consideration to Pall or that any specific amount of consideration constituted the only appropriate consideration for the proposed transaction.

As described above, Goldman Sachs' opinion to the Pall board of directors was one of many factors taken into consideration by the Pall board of directors in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the delivery of its fairness opinion to the Pall board of directors and is qualified in its entirety by reference to its written opinion attached as Annex B to this proxy statement.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Pall, Danaher, any of their respective affiliates and third parties, or any currency or commodity that may be involved in the transaction contemplated by the merger agreement. Goldman Sachs has acted as a financial advisor to Pall in connection with, and participated in certain of the negotiations leading to, the proposed merger. Goldman Sachs has provided certain financial advisory and/or underwriting services to Pall and/or its affiliates from time to time. Goldman Sachs has also provided certain financial advisory and/or underwriting services to Danaher and/or its affiliates from time to time for which its Investment Banking Division has received, and may receive, compensation, including having participated in Danaher's commercial paper program since June 2010. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to Pall, Danaher and their respective affiliates for which its Investment Banking Division may receive compensation.

Pall selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the transaction contemplated by the merger agreement. Pursuant to a letter agreement, dated May 11, 2015, between Pall and Goldman Sachs, Goldman Sachs is entitled to a transaction fee determined based on the value of the consideration to be paid to Pall's shareholders. Based on the price per share of Pall common stock of \$127.20 in the proposed merger, Goldman Sachs expects to receive a fee of approximately \$50.5 million for its services in connection with the proposed merger, all of which are contingent upon consummation of the proposed merger. In addition, Pall agreed to reimburse Goldman Sachs for certain of its expenses arising, and to indemnify Goldman Sachs against certain liabilities that may arise out of its engagement.

## **Delisting and Deregistration of Pall Common Stock**

Pall common stock is registered as a class of equity securities under the Exchange Act and is quoted on the NYSE under the symbol "PLL". As a result of the merger, Pall will become an indirect wholly owned subsidiary of Danaher. After the merger, shares of Pall common stock will cease to be traded on the NYSE and price quotations with respect to sales of shares of Pall common stock in the public market will no longer be available. In addition, Pall will no longer be required to file periodic reports with the SEC after the effective time of the merger with respect to Pall common stock.



## **Table of Contents**

### **Consequences if the Merger is Not Consummated**

If the merger agreement is not adopted by the shareholders or if the merger is not consummated for any other reason, shareholders will not receive any payment for their shares of Pall common stock in connection with the merger. Instead, shares of Pall common stock will continue to be listed and traded on the NYSE. In certain circumstances, we may be required to pay a termination fee, or we or Danaher may seek damages or other remedies, in each case, as described under the section entitled *Terms of the Merger Agreement Termination; Effect of Termination* and *Terms of the Merger Agreement Termination Fee* beginning on Page 86 and Page 88, respectively, of this proxy statement.

### **Financing of the Merger**

Danaher expects to finance the merger primarily with available cash and proceeds from the issuance of debt or new credit facilities. Prior to the closing of the merger, Pall will, and Pall will cause its subsidiaries to and will use its reasonable best efforts to cause its representatives to, cooperate with Danaher on a timely basis with regards to all cooperation reasonably requested by Danaher in connection with the arrangement, marketing, syndication and consummation of any financing deemed reasonably necessary or advisable by Danaher in connection with the transactions contemplated by the merger agreement. Such cooperation includes, but is not limited to, the following actions: making senior officers of Pall and its subsidiaries available to debt financing sources for a reasonable number of meetings, furnishing information reasonably requested by such debt financing sources and assisting in the preparation of pro forma financial statements required in connection with the financing and/or under SEC rules. The obligations of Danaher and Merger Sub under the merger agreement are not conditioned in any manner upon their ability to obtain financing. For more information regarding cooperation in obtaining such debt financing, see the section entitled *Terms of the Merger Agreement Cooperation* beginning on Page 83 of this proxy statement.

### **Interests of Pall's Directors and Executive Officers in the Merger**

In considering the recommendation of the Pall board of directors that Pall shareholders adopt the merger agreement and thereby approve the merger, Pall shareholders should be aware that the directors and executive officers of Pall have certain interests in the merger that may be different from, or in addition to, those of Pall shareholders generally. The Pall board of directors was aware of these interests and considered them, among other matters, in adopting the merger agreement and approving the merger and making its recommendation that Pall shareholders adopt the merger agreement and thereby approve the merger. These interests are described below.

### ***Treatment of Outstanding Equity Awards***

Pursuant to the terms of the merger agreement, Pall equity awards held by the executive officers and directors of Pall that are outstanding immediately prior to the effective time of the merger will be subject to the following treatment.

#### ***Options***

At the effective time of the merger, each option to purchase Pall common stock held by a director or executive officer (whether vested or unvested) that is outstanding and unexercised as of immediately prior to the effective time of the merger will become fully vested and exercisable as of the effective time of the merger and will be canceled and converted into the right to receive an amount in cash, without interest, from the surviving corporation equal to the excess, if any, of \$127.20 over the applicable per-share exercise price of such option (less any applicable withholding or other taxes, or other amounts required to be withheld).

#### ***Awards Under the Pall Management Stock Purchase Plan***

At the effective time of the merger, each award under the Pall Management Stock Purchase Plan held by an executive officer (whether vested or unvested) that is outstanding as of immediately prior to the effective time of

**Table of Contents**

the merger will become fully vested as of the effective time of the merger and will be cancelled and converted into the right to receive an amount in cash, without interest, from the surviving corporation equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld). None of the awards granted under the Pall Management Stock Purchase Plan are held by non-employee members of the Pall board of directors.

*Performance Units*

At the effective time of the merger, each Pall performance-based restricted stock unit held by an executive officer that is outstanding immediately prior to the effective time of the merger will become fully vested and will be deemed earned at the greater of (A) the target number of performance stock units subject to the award and (B) the number of performance stock units that would have been earned based on Pall's actual performance from the beginning of the relevant performance period through the effective time of the merger. Each performance-based restricted stock unit that is deemed earned will be canceled at the effective time of the merger in exchange for the right to receive an amount in cash equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld). None of the Pall performance-based restricted stock units are held by non-employee members of the Pall board of directors.

*Restricted Stock Units*

At the effective time of the merger, each Pall time-based restricted stock unit that is outstanding as of immediately prior to the effective time of the merger and that is vested in accordance with its terms as of immediately prior to the effective time of the merger or becomes vested in accordance with its terms solely as a result of the consummation of the merger will be canceled in exchange for the right to receive an amount in cash equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld).

At the effective time of the merger, each unvested time-based restricted stock unit will be considered a rollover award and will be automatically assumed by Danaher and will continue to have, and be subject to, the same terms and conditions as were applicable to such rollover award immediately prior to the effective time of the merger, except that each rollover award will relate to that number of shares of Danaher common stock (rounded to the nearest whole share) equal to the product of (A) the number of shares of Pall common stock that were issuable upon the vesting of such rollover award immediately prior to the effective time of the merger and (B) the ratio calculated by dividing \$127.20 by the average of the closing prices of Danaher common stock on the NYSE for the ten trading days immediately preceding the date on which the closing occurs.

**Table of Contents****Quantification of Outstanding Equity Awards**

The following table shows the estimated cash amounts that each Pall executive officer and director would be eligible to receive (without subtraction of applicable withholding taxes) in connection with the merger with regard to outstanding options (vested and unvested), outstanding time-based restricted stock units that are vested or will become vested solely as a result of the consummation of the merger, outstanding awards under the Pall Management Stock Purchase Plan (vested and unvested) and outstanding performance-based restricted stock units, and the estimated value, based on the merger consideration, of outstanding unvested time-based restricted stock units that will be assumed by Danaher at the effective time of the merger.

Name	No. of Shares of Pall Common Stock Subject to Options(1)	Value of Options(2) (\$)	No. of Performance-Based Restricted Stock Units to be Vested and Cashed Out (at Target)(3)	No. of Pall Management	No. of Rollover Awards (Unvested Restricted Stock Units to be Assumed by Danaher) (5)	Total Value (\$)
				Stock Purchase Plan Awards and Vested Restricted Stock Units to be Cashed Out(4)		
<b><i>Named Executive Officers</i></b>						
Lawrence D. Kingsley	913,163	\$ 64,903,896	81,096	155,535	111,764	\$ 109,219,790
R. Brent Jones	23,505	\$ 999,596	8,064	15,948	15,670	\$ 6,047,026
Yves Baratelli	38,738	\$ 1,848,501	21,995		17,449	\$ 6,865,883
Ruby Chandy	61,719	\$ 3,264,262	21,898	1,912	15,289	\$ 8,237,644
Wolfgang Platz	29,602	\$ 1,672,093	13,336		11,084	\$ 4,778,295
<b><i>Other Executive Officers</i></b>						
Michael Egholm, Ph.D.	47,984	\$ 2,425,262	16,505	12,613	12,822	\$ 7,760,010
Naresh Narasimhan	6,761	\$ 257,637	1,146	475	2,000	\$ 718,173
Martin Smith	10,867	\$ 444,470	1,713	5,081	3,192	\$ 1,714,662
Roya Behnia	43,204	\$ 2,416,806	9,567		10,950	\$ 5,026,604
Kenneth V. Camarco	64,219	\$ 3,511,312	18,303	2,008	16,451	\$ 8,187,421
H. Alex Kim	34,781	\$ 1,923,100	7,714	6,149	6,046	\$ 4,455,519
Julie R. Taylor	15,998	\$ 651,179	2,788	4,481	4,267	\$ 2,118,518
Angelina Rouse	12,158	\$ 556,679	1,643	29,272	3,948	\$ 4,991,204
<b><i>Non-Employee Directors</i></b>						
Dr. Amy E. Alving	3,000	\$ 232,755		5,840		\$ 975,627
Robert B. Coutts				16,872		\$ 2,146,148
Mark E. Goldstein				9,004		\$ 1,145,279
Cheryl W. Grisé				21,128		\$ 2,687,478
Ronald L. Hoffman	3,000	\$ 308,760		14,119		\$ 2,104,647

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Dennis N. Longstreet	24,440	\$ 3,108,767
B. Craig Owens	7,000	\$ 890,382
Katharine L. Plourde	22,265	\$ 2,832,138
Edward Travaglianti	20,143	\$ 2,562,250
Bret W. Wise	9,332	\$ 1,186,992

- (1) This column includes vested and unvested options (all of which will vest in connection with the merger).
- (2) The per share consideration for options is equal to the number of shares of Pall common stock subject to the option multiplied by \$127.20, less the applicable exercise price of the option.
- (3) Pursuant to the terms of the applicable performance-based restricted stock unit award agreements and the Merger Agreement, outstanding performance-based restricted stock units will be deemed earned in the number of performance-based restricted stock units equal to the greater of (A) the Target Number (as



**Table of Contents**

specified in the applicable award agreement) of performance-based restricted stock units and (B) the number of performance-based restricted stock units that would have been earned by applying the performance criteria specified in the applicable award agreement to Pall's actual performance from the beginning of the Performance Period (as specified in the applicable award agreement) to the effective time of the merger. The per share consideration for the awards included in this column is equal to the target number of shares of Pall common stock subject to the award multiplied by \$127.20. The share numbers in this column have been rounded to the nearest whole share.

- (4) The per share consideration for the awards included in this column is equal to the number of shares of Pall common stock subject to the award multiplied by \$127.20. This includes, in the case of Mr. Kingsley, certain unvested time-based restricted stock units that, under the terms of his employment agreement, will vest as a result of the merger. The share numbers in this column have been rounded to the nearest whole share.
- (5) Restricted stock units that are unvested as of the effective time of the merger will be assumed by Danaher. For purposes of this table, all such rollover awards are deemed to have a value equal to the merger consideration. The share numbers in this column have been rounded to the nearest whole share.

***Quantification of Pall Common Stock Consideration***

The following table shows the estimated amounts that each Pall executive officer and director would be eligible to receive in connection with the merger with regard to outstanding shares of Pall common stock held by the individual, including outstanding shares of Pall common stock acquired pursuant to any of Pall's equity compensation or stock purchase plans.

Name	No. of Shares of Pall Common Stock(1)	Value (\$)
<b><i>Named Executive Officers</i></b>		
Lawrence D. Kingsley	51,247	\$ 6,518,630
R. Brent Jones		
Yves Baratelli	33,105	\$ 4,210,987
Ruby Chandy	2,231	\$ 283,725
Wolfgang Platz	22,535	\$ 2,866,497
<b><i>Other Executive Officers</i></b>		
Michael Egholm, Ph.D.	1	\$ 127.20
Naresh Narasimhan		
Martin Smith		
Roya Behnia		
Kenneth V. Camarco		
H. Alex Kim	1,768	\$ 224,948
Julie R. Taylor		
Angelina Rouse	1,872	\$ 238,180
<b><i>Non-Employee Directors</i></b>		
Dr. Amy E. Alving	6,433	\$ 818,230
Robert B. Coutts	1,000	\$ 127,200
Mark E. Goldstein	1,000	\$ 127,200
Cheryl W. Grisé	1,000	\$ 127,200
Ronald L. Hoffman	5,933	\$ 754,630

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Dennis N. Longstreet	2,800	\$ 356,160
B. Craig Owens	4,988	\$ 634,437
Katharine L. Plourde	3,280	\$ 417,205
Edward Travaglianti	11,683	\$ 1,486,030
Bret W. Wise	1,000	\$ 127,200

(1) The share numbers in this column have been rounded to the nearest whole share.

**Table of Contents*****Annual Short-Term Incentive Awards***

Each of Pall's executive officers participates in the 2012 Executive Incentive Bonus Plan, which we refer to as the EIB Plan in this proxy statement. The EIB Plan provides for the establishment of a threshold performance metric that must be met in order to allow eligible participants, including the executive officers, the opportunity to be paid an annual cash bonus. The Pall Incentive Compensation Plan, which is established under the EIB Plan, establishes further metrics that link individual bonus amounts to both quantitative and qualitative financial and business measures and includes a personal performance component applicable to each individual's achievement of results.

Under the merger agreement, any cash incentive performance period in effect as of the effective time of the merger and scheduled to end after December 31 of the year in which the effective time of the merger occurs shall end on December 31 of such year, and any applicable payment will be made subject to appropriate adjustment and pro-ration. The following performance period will begin on January 1 of the immediately following year, in order to align the performance period with Danaher's fiscal year. The following table shows the estimated cash amounts, pro-rated through December 31, 2015, that each Pall executive officer will be paid under the EIB Plan assuming that the performance-based conditions with respect to the fiscal year beginning August 1, 2015 will be achieved at target. No non-employee member of the Pall board of directors is entitled to receive any payments under the EIB Plan.

<b>Name</b>	<b>Estimated EIB Payment (1) (\$)</b>
<b><u>Named Executive Officers</u></b>	
Lawrence D. Kingsley	\$ 520,833
R. Brent Jones	\$ 131,250
Yves Baratelli	\$ 154,775
Ruby Chandy	\$ 153,964
Wolfgang Platz	\$ 121,600
<b><u>Other Executive Officers</u></b>	
Michael Egholm, Ph.D.	\$ 119,583
Naresh Narasimhan	\$ 88,070
Martin Smith	\$ 71,250
Roya Behnia	\$ 125,479
Kenneth V. Camarco	\$ 127,677
H. Alex Kim	\$ 91,657
Julie R. Taylor	\$ 90,417
Angelina Rouse	\$ 70,875

(1) Amounts for Mr. Platz and Mr. Narasimhan were converted from euros and Singapore dollars, respectively, to dollars at an exchange rate of 1 = \$1.08858 and SGD 1 = \$ 0.74163.

***Executive Officer Severance***

The severance entitlements of Pall's executive officers are set forth in their offer letters or employment agreements. In the event of a qualifying termination of employment, Pall's executive officers generally are provided a severance payment that is equal to a multiplier of their annual salary and target bonus and is conditioned upon a signed

separation agreement which includes a general release of claims and restrictive covenants including non-competition, non-solicitation, non-disparagement and confidentiality provisions. For certain executives, the multiplier is enhanced if the qualifying termination occurs within 12 months following a change in control, as defined in the relevant offer letter or employment agreement. The merger will constitute a change in control under all such offer letters and employment agreements.

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**Table of Contents***Mr. Lawrence D. Kingsley*

Mr. Kingsley's offer letter provides that if, within 12 months following the merger, his employment is terminated without cause, or if he resigns for good reason, he will become entitled to a lump sum payment equal to three times the sum of his base salary and target bonus amount, as well as reimbursement for any COBRA premiums paid under the Consolidated Omnibus Reconciliation Act of 1985, which we refer to as COBRA in this proxy statement, during the 18 months following his termination of employment. Mr. Kingsley would also become fully vested in the following annual supplementary pension benefit payable in the form of a single life annuity at age 60, regardless of his level of compensation on the date of termination of employment: (i) \$208,849 if his qualifying termination occurs prior to October 3, 2015 and (ii) \$278,466 if his qualifying termination occurs on or after October 3, 2015 but prior to October 3, 2017 and (iii) \$348,082 if his qualifying termination occurs on or after October 3, 2017 but prior to the date he attains age 55.

Mr. Kingsley's offer letter defines good reason as: (i) any material breach by Pall of the terms of the offer letter or any agreement referred to in the offer letter; (ii) any material reduction of Mr. Kingsley's authority, duties or responsibilities; (iii) a reduction by Pall of Mr. Kingsley's base salary or target bonus percentage; (iv) the relocation of Pall's principal executive offices to a location more than fifty miles from its location immediately prior to such relocation and such relocation increases the distance from Mr. Kingsley's residence at the time of relocation to the executive office by a material amount; (v) a change in position to something other than Chief Executive Officer of Pall (or its ultimate parent operating company in the event of a change in control); (vi) a requirement that Mr. Kingsley report to anyone other than the Pall board of directors (or the board of directors of Pall's ultimate parent operating company in the event of a change in control); (vii) a failure to re-nominate Mr. Kingsley as a member of the Pall board of directors; or (viii) a failure of a successor company to assume Pall's obligations under the offer letter. The foregoing events shall not be deemed to constitute good reason, however, unless Mr. Kingsley notifies the Pall board of directors (or the board of directors of Pall's ultimate parent company in the event of a change in control) in writing of the occurrence of such event(s) within ninety days of Mr. Kingsley having knowledge of such event(s) and the Pall board of directors (or the board of directors of Pall's ultimate parent company, as the case may be) shall have failed to have cured or remedied such event(s) within thirty business days of its receipt of such written notice and termination occurs within one hundred and eighty days of the event.

Mr. Kingsley's offer letter defines cause as: (i) any material breach by Mr. Kingsley of the offer letter, Pall's Code of Ethics (or successor policy) or Insider Trading Policy, or the Confidentiality, Non-Disclosure, Non-Solicitation, Non-Compete and Intellectual Property Agreement that Mr. Kingsley signed in connection with his employment; (ii) conviction of, or the entry of a plea of guilty or no contest to, a felony or any other crime that causes Pall or any of its subsidiaries public disgrace or disrepute or materially and adversely affects the operations of Pall or any of its subsidiaries or financial performance or the relationships Pall or any of its subsidiaries has with its customers; (iii) willful misconduct having or likely to have, in the good faith opinion of the Pall board of directors, a material adverse impact on Pall or its subsidiaries, either economically or by reputation; (iv) alcohol abuse or use of controlled drugs other than in accordance with a physician's prescription; (v) refusal to perform any lawful material obligation or fulfill any material duty to Pall or any of its subsidiaries (other than due to disability), which refusal, if curable, is not cured within fifteen days after delivery of written notice thereof; or (vi) material violation of Pall's employment policies, including policies regarding harassment or discrimination. No act or omission to act shall be willful if conducted in good faith or with a reasonable belief that such act or omission was in Pall's best interests.

*Mr. R. Brent Jones*

Mr. Jones's offer letter provides that if, within 12 months following the merger, his employment is terminated without cause, or if he resigns for good reason, he will become entitled to payment of two times the sum of his base salary and

target bonus amount. Mr. Jones benefit is payable in equal installments, in accordance with Pall s payroll practice, over a period of 24 months following termination.

**Table of Contents**

For purposes of Mr. Jones' offer letter, "good reason" means: (i) a material diminution of responsibilities, position and/or title; (ii) a relocation of his principal business location to an area outside a 25 mile radius of its then previous location and which requires that Mr. Jones commute an additional distance of at least 20 miles more than he was required to commute immediately prior to the relocation; or (iii) a material reduction in base salary or bonus opportunities. Good reason is not deemed to exist unless Mr. Jones gives written notice of termination to Pall no later than sixty days after the time at which the event or condition purportedly giving rise to good reason first occurs or arises, thereafter Pall has thirty days from the date Mr. Jones gives notice to cure the event or condition. Mr. Jones' right to resign from employment for good reason will be waived if he fails to resign within sixty days following the last day of Pall's cure period.

For purposes of Mr. Jones' offer letter, "cause" has the meaning set forth in the Pall 2012 Stock Compensation Plan, under which "cause" means: (i) conviction of, or the entry of a plea of guilty or no contest to, a felony or any other crime that causes Pall or any of its affiliated companies public disgrace or disrepute, or materially and adversely affects Pall's or its affiliated companies' operations or financial performance or its or their relationship with customers; (ii) gross negligence or willful misconduct with respect to Pall or any of its affiliated companies, including, without limitation fraud, embezzlement, theft or dishonesty in the course of employment; (iii) alcohol abuse or use of controlled drugs other than in accordance with a physician's prescription; (iv) refusal to perform any lawful, material obligation or fulfill any duty (other than any duty or obligation of the type described in clause (vi) below) to Pall or any of its affiliated companies (other than due to a disability), which refusal, if curable, is not cured within 15 days after delivery of written notice thereof; (v) material breach of any agreement with or duty owed to Pall or any of its affiliated companies, which breach, if curable, is not cured within 15 days after the delivery of written notice thereof; or (vi) breach of any obligation or duty to Pall or any of its affiliated companies relating to confidentiality, non-competition, non-solicitation, proprietary rights or other policies and procedures of Pall or any of its affiliated companies. Following a change in control, however, "cause" is limited to the matters set forth in clauses (i) and (ii) above.

*Mr. Yves Baratelli*

Mr. Baratelli's employment agreement provides that if his employment is terminated without "cause", or if he resigns for "good reason", he will receive two times the sum of his base salary and 70% of his target bonus percentage (without taking into account adjustment for personal performance) multiplied by base salary, payable in equal installments, in accordance with Pall's payroll practice, over a period of 24 months following termination. Mr. Baratelli would also be entitled to reimbursement of COBRA premiums for 18 months. Under the terms of the Supplementary Pension Plan, Mr. Baratelli will fully vest in his Supplementary Pension Plan benefit upon termination following a change in control as long as he is a member of Pall's Executive Management Team at any time during the thirty day period immediately preceding a change in control. Mr. Baratelli's entitlements upon termination of employment are not otherwise affected by the occurrence of a change in control.

Mr. Baratelli's employment agreement defines "good reason" as: (i) a material diminution in base salary; (ii) a material diminution in authority, duties, or responsibilities; (iii) a material diminution in the authority, duties or responsibilities of the person to whom Mr. Baratelli reports, or Mr. Baratelli being required to report to a different person whose authority, duties, or responsibilities are materially diminished as compared with the authority, duties, or responsibilities of the person to whom he reported immediately prior to such change; (iv) a material diminution in the budget over which Mr. Baratelli retains authority; (v) a material change in the geographic location at which he must perform services; or (vi) any other action or inaction that constitutes a material breach by Mr. Baratelli's employment agreement. Mr. Baratelli must provide notice to Pall of the existence of the condition constituting good reason no more than ninety days after the initial existence of the condition, and Pall then has thirty days to remedy the condition. If Pall does not remedy the condition during the cure period, Mr. Baratelli's employment will terminate on the

thirty-first day following the initial notice.

Mr. Baratelli's employment agreement defines "cause" as: (i) failure or refusal to substantially perform his material duties or other material violation of his employment agreement; (ii) failure in a material manner to



**Table of Contents**

comply with the written rules and policies of Pall that has caused or would reasonably be expected to result in material injury to Pall; (iii) willful and serious misconduct in connection with Mr. Baratelli's employment that has caused or would reasonably be expected to result in material injury to Pall; (iv) dishonesty or fraudulent conduct in regards to Pall; or (v) conviction of, or plea of *nolo contendere* to, a crime that constitutes a felony. Pall may terminate Mr. Baratelli's employment for cause with immediate effect except that prior to termination for any of the reasons in (i) or (ii) above Mr. Baratelli shall have thirty days after notice from Pall to remedy such matter if it is reasonably capable of being remedied.

*Ms. Ruby Chandy*

Ms. Chandy's offer letter provides that if, within 12 months following the merger, her employment is terminated without cause or she resigns for good reason, she will become entitled to payment of two times the sum of her base salary and target bonus amount. Ms. Chandy's benefit is payable in equal installments, in accordance with Pall's payroll practice, over a period of 24 months following termination. The definitions of cause and good reason in Ms. Chandy's offer letter are substantially identical to those in Mr. Jones' offer letter.

*Mr. Wolfgang Platz*

Mr. Platz has an employment agreement based upon his employment in Germany and current assignment to Switzerland. With respect to Mr. Platz's employment agreement, Pall or Mr. Platz may terminate the contract upon seven months' notice to the other party, consistent with the terms of employment for senior executives in Europe where Mr. Platz currently resides. In addition to salary continuation during the notice period, Mr. Platz would be entitled to certain statutory benefits determined under German law, including severance and payment in respect of an agreement not to compete with Pall. These statutory benefits would be based upon Mr. Platz's average compensation, including base salary, bonus and car allowance, and would take account his period of service with the company and, in the case of the payment in respect of an agreement not to compete, the duration of the covenant. The notice provisions of Mr. Platz's employment agreement and his other entitlements upon a qualifying termination are not affected by a change in control.

*Other Executive Officers*

The severance arrangements applicable to Ms. Roya Behnia, Mr. Kenneth V. Camarco, Mr. H. Alex Kim, Ms. Julie R. Taylor, Mr. Naresh Narasimhan and Ms. Angelina Rouse in connection with a change in control, including the definitions of cause and good reason, are substantially identical to the provisions in Mr. Jones' offer letter, except Ms. Rouse's severance entitlement is based on 3 rather than 2 times her salary and target bonus and Ms. Rouse is eligible for a supplemental severance payment of \$150,000 in the event of a qualifying termination of employment in connection with or following the closing of the merger and Mr. Camarco is entitled to reimbursement of COBRA premiums for six months. Mr. Narasimhan is entitled to six months' notice of termination for a termination of employment occurring during 2015; the required notice period decreases to three months in subsequent years.

Following termination of employment, executive officers are generally subject for at least one year to Pall's customary covenants relating to non-competition, non-solicitation, non-disparagement and confidentiality.

***Quantification of Potential Payments to Named Executive Officers in Connection with the Merger***

As required by Item 402(t) of Regulation S-K, the table below sets forth the estimated payments that each of Pall's named executive officers could receive that is based on or otherwise related to the merger. These amounts have been calculated assuming the merger was consummated on June 22, 2015 and, where applicable, assuming each named

executive officer experiences a qualifying termination of employment as of the merger closing date. To the extent applicable, calculations of cash severance are based on the named executive officer's current base

**Table of Contents**

salary and the named executive officer's target annual bonus for fiscal year 2015. See the section entitled *Interests of Pall's Directors and Executive Officers in the Merger* beginning on Page 49 of this proxy statement for further information about the compensation disclosed in the table below. The amounts set forth in the table below are the subject of a non-binding, advisory vote of Pall shareholders, as described in the section entitled *Proposal 2: Advisory Vote on Merger-Related Compensation Arrangements* beginning on Page 91 of this proxy statement.

Pall's named executive officers for purposes of this disclosure are (i) Mr. Kingsley, Chairman and Chief Executive Officer; (ii) Mr. Jones, Interim Chief Financial Officer; (iii) Mr. Baratelli, President Pall Life Sciences; (iv) Ms. Chandy, President Pall Industrial; and (v) Mr. Platz, President Pall Europe. Although Mr. Akhil Johri, Pall's former chief financial officer, was a named executive officer for purposes of Pall's most recent annual proxy statement, Mr. Johri ceased his employment with Pall effective December 19, 2014 and has no interest in the merger (except insofar as he may be a holder of shares of Pall common stock) or any rights to compensation that are based on or otherwise related to the merger, and is therefore not included in the disclosure that follows.

The amounts in the table below do not include amounts that were vested as of June 22, 2015, or amounts under contracts, agreements, plans or arrangements to the extent they do not discriminate in scope, terms or operation in favor of executive officers and that are available generally to all of the salaried employees of Pall. In addition, the amounts indicated below are estimates of amounts that would be payable to the named executive officers and the estimates are based on multiple assumptions that may not prove correct, including assumptions described in this proxy statement. Accordingly, the actual amounts, if any, to be received by a named executive officer may differ in material respects from the amounts set forth below.

**Golden Parachute Compensation**

Name	Cash (1)	Equity(Single Trigger) (2)	Equity (Double Trigger) (3)	Pension / NQDC (4)	Perquisites / Benefits (5)	Tax Reimbursement (6)	Other (7)	Total (8)
Lawrence D. Kingsley	\$ 6,750,000	\$ 52,080,619	\$ 14,216,441	\$ 539,527	\$ 26,851	\$	\$ 520,833	\$ 74,134,271
R. Brent Jones	\$ 1,530,000	\$ 2,779,569	\$ 1,993,215	\$ 211,429	\$	\$	\$ 131,250	\$ 6,645,463
Yves Baratelli	\$ 1,841,376	\$ 4,646,321	\$ 2,219,562	\$ 607,461	\$ 29,443	\$	\$ 154,775	\$ 9,498,938
Ruby Chandy	\$ 1,794,775	\$ 4,643,564	\$ 1,944,708	\$ 318,049	\$	\$	\$ 153,964	\$ 8,855,060
Wolfgang Platz	\$ 1,463,966	\$ 2,738,823	\$ 1,409,918	\$	\$	\$	\$ 484,280	\$ 6,096,987

(1) *Cash*. Represents the value of the cash severance payments payable under the applicable named executive officer's offer letter or employment agreement, as described above in the section entitled *Executive Officer Severance* beginning on Page 53 of this proxy statement. The severance amounts in this column are all "double trigger" in nature, which means that payment of these amounts is conditioned upon a qualifying termination of employment following the merger, except that the severance benefits for Mr. Baratelli and Mr. Platz would be paid upon a qualifying termination of employment, whether or not in connection with a change in control. The amount shown for Mr. Platz includes both salary continuation during a seven month notice period and statutory severance under

German law. For all named executive officers except Mr. Baratelli and Mr. Platz, a qualifying termination must occur within 12 months of the merger in order for the executive to become entitled to the amount reflected in the table. Amounts for Mr. Platz were converted from euros to dollars at an exchange rate of 1 = \$1.08858.

- (2) *Equity Single Trigger*. Represents the aggregate payments to be made in respect of unvested options, unvested awards under the Pall Management Stock Purchase Plan, performance stock units valued assuming target performance and any time-based restricted stock units that will become vested solely as a result of the merger. Treatment of all such awards in the merger is described in greater detail above in the section entitled *Treatment of Outstanding Equity Awards* beginning on Page 49 of this proxy statement and as quantified for each named executive officer in the summary table set forth in that section. The per share consideration for options is equal to the number of shares of Pall common stock subject to the option multiplied by \$127.20, less the applicable exercise price of the option. The per share consideration for all other awards is equal to the number of shares of Pall common stock subject to the award multiplied by \$127.20. Amounts included in this column are all single trigger in nature, which means that payment is conditioned solely upon consummation of the merger. Amounts in this column do not reflect any additional restricted stock units that could be credited to employee accounts after June 22, 2015, the number of which, if any, would depend on the effective time of the merger.
- (3) *Equity Double Trigger*. Represents the aggregate value of unvested restricted stock units that will be assumed by Danaher in the merger and that will retain their pre-merger terms and conditions relating to vesting. Although such restricted stock units will not vest as a result of the merger, they would vest if the named executive officer experienced a qualifying termination within 24 months following the merger. Amounts in this column accordingly are double trigger in nature.

**Table of Contents**

- (4) *Pension/Non-Qualified Deferred Compensation.* Mr. Kingsley's offer letter provides that upon a qualifying termination of employment he will become fully vested in a specified annual supplementary pension benefit payable in the form of a single life annuity at age 60, with the amount of the benefit dependent on the date of his qualifying termination; see the discussion above under *Executive Officer Severance* beginning at Page 53 of this proxy statement. The amount shown for Mr. Kingsley assumes a termination of employment as of June 30, 2015, and represents the aggregate amount that would be paid between the assumed termination date and a hypothetical qualifying termination, unrelated to the merger, on Mr. Kingsley's 55<sup>th</sup> birthday. For Mr. Jones and Ms. Chandy, the amount shown represent the full value of their respective account balances under the Executive Defined Contribution Retirement Plan as of May 27, 2015 plus a 10% estimated employer contribution based on annualized base salary and target bonus; for both executives, the unvested account balance would vest in full if the plan were terminated in connection with the merger. Under the terms of the Supplementary Pension Plan, Mr. Baratelli will fully vest in his Supplementary Pension Plan benefit upon termination following a change in control as long as he is a member of Pall's Executive Management Team at any time during the thirty day period immediately preceding a change in control; the amount shown for Mr. Baratelli includes the increase in percent value of his benefit attributable to an additional two years of credited age and service as provided under his employment agreement. Mr. Platz's pension entitlements would not be affected by a termination of employment related to the merger.
- (5) *Perquisites/Benefits.* Represents, for Mr. Kingsley and Mr. Baratelli, the estimated value of the reimbursement of COBRA premiums for 18 months following a termination of employment pursuant to the terms of their respective offer letters. These benefits are double trigger, but would be paid upon qualifying termination of employment, whether or not in connection with a change in control.
- (6) *Tax Reimbursement.* Pall does not provide tax reimbursement benefits to any of its named executive officers.
- (7) *Other.* Represents the estimated pro-rata bonus amounts for fiscal year 2015 that will be paid after December 31, 2015 as described in *Annual Short-Term Incentive Awards* beginning on Page 53 of this proxy statement, assuming that the performance-based conditions with respect to the fiscal year 2015 bonuses will be achieved at target. These amounts are single trigger, although the corresponding bonuses for the full year (not pro-rated) would also have been paid following the end of Pall's 2015 fiscal year in the absence of the merger, assuming performance at target levels. For Mr. Platz, also includes payment in respect of a covenant not to compete assumed to apply for 12 months following termination of employment. Amounts for Mr. Platz were converted from euros to dollars at an exchange rate of 1 = \$1.08858.
- (8) The total amounts do not reflect any reductions to parachute payments as defined by Internal Revenue Code Section 280G that may be economically beneficial to executives and Pall in order to avoid the excise tax imposed on individuals receiving excess parachute payments under Sections 280G and 4999 of the Internal Revenue Code. A definitive analysis will depend on the effective time of the merger, the date of termination (if any) of the named executive officer and certain other assumptions used in the calculation.

***Insurance and Indemnification of Directors and Executive Officers***

The terms of the merger agreement provide for certain post-closing covenants related to insurance and indemnification of directors and executive officers. For a description of such covenants please see the section entitled *Terms of the Merger Agreement Directors and Officers Indemnification and Insurance* beginning on Page 82 of this proxy statement.

***Benefit Arrangements with the Surviving Corporation***

The term of the merger agreement provide for certain post-closing covenants related to employee benefit arrangements. For a description of such covenants please see the section entitled *Terms of the Merger Agreement Employee Benefits Matters* beginning on Page 81 of this proxy statement.

### **Certain Financial Forecasts**

Pall does not, as a matter of general practice, publicly disclose its anticipated financial position or results of operations other than for providing, from time to time, estimated ranges of certain expected financial results and operational metrics for the current year in its regular earnings press releases and other investor materials due to the unpredictability of the underlying assumptions and estimates inherent in preparing financial projections. In evaluating a possible transaction with Danaher, management of Pall provided forecasts of Pall's results of operations to Danaher and to the Pall board of directors and Goldman Sachs prior to the execution of the merger agreement. A summary of the financial forecasts is included in this proxy statement. You should note that the financial forecasts constitute forward-looking statements. See *Cautionary Statement Concerning Forward-Looking Information* on Page 21 of this proxy statement. These financial forecasts were not prepared for public disclosure. Nonetheless, a summary of the financial forecasts is provided in this proxy statement only because the financial forecasts were made available to Danaher and to the Pall board of directors and Goldman Sachs in evaluating a potential transaction with Danaher. The financial forecasts are subjective in many respects. There can be no assurance that the financial forecasts will be realized or that actual results will not be significantly higher or lower than projected. The financial forecasts also cover multiple years, and such information by its

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**Table of Contents**

nature becomes subject to greater uncertainty with each successive year. Economic and business environments, as well as foreign exchange rates, can and do change quickly, which adds an additional significant level of uncertainty as to whether the results portrayed in the financial forecasts will be achieved. The inclusion of the financial forecasts in this proxy statement does not constitute an admission or representation by Pall that the information is material. In addition, the financial forecasts were not prepared with a view toward public disclosure or toward complying with generally accepted accounting principles in the United States, which we refer to as GAAP in this proxy statement, the published guidelines of the SEC regarding projections and the use of non-GAAP financial measures, or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. Members of Pall senior management use certain non-GAAP measurements to assess Pall's current and future financial performance. The non-GAAP measurements do not replace Pall's GAAP financial results. These non-GAAP measurements provide supplemental information to assist members of Pall senior management in analyzing Pall's financial position and results of operations. Neither Pall's independent registered public accounting firm, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the financial forecasts, nor have they expressed any opinion or any other form of assurance on such information or its achievability.

The financial forecasts were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Pall. Pall believes the assumptions that its management used as a basis for the financial forecasts were reasonable at the time Pall senior management prepared the financial forecasts and reflected the best available estimates and judgments at the time, taking into account the relevant information available to Pall senior management at the time and presented at the time, to the best of Pall's knowledge and belief, a reasonable projection of future financial performance of Pall. Important factors that may affect actual results and cause the financial forecasts not to be achieved include: potential future acquisitions; legislative, regulatory, and competitive developments; interest rates; foreign exchange rates; access to capital, market risks; changes in supply costs, customer demand, the outcome of pending litigation and certain environmental matters, including remediation requirements, and other factors described or referenced under *Cautionary Statement Concerning Forward-Looking Information* beginning on Page 21 of this proxy statement. Accordingly, there can be no assurance that the financial forecasts will be realized or that future financial results will not materially vary from the financial forecasts, and the financial forecasts should not be relied upon as being indicative of future results. You are cautioned not to rely on this forward-looking information.

In addition, the financial forecasts also reflect assumptions that are subject to change and do not reflect revised prospects for Pall's business, changes in general business or economic conditions, or any other transaction or event that has occurred or that may occur after the date the financial forecasts were prepared and that was not anticipated at the time the financial forecasts were prepared. Some or all of the assumptions that have been made regarding, among other things, the timing of certain occurrences or impacts, may have changed since the date the financial forecasts were prepared. Except as may be required by law, Pall disclaims any obligation to update or otherwise revise the financial forecasts to reflect circumstances, economic conditions or other developments existing or occurring after the date the financial forecasts were prepared or to reflect the occurrence of future events, even if any or all of the assumptions on which the financial forecasts were based are no longer appropriate. These considerations should be taken into account in reviewing the financial forecasts, which were prepared as of an earlier date. See *Where Shareholders Can Find More Information* beginning on Page 98 of this proxy statement.

**Table of Contents**

The following is a summary of the financial forecasts prepared by senior management of Pall and given to Danaher, the Pall board of directors and Goldman Sachs, in each case, prior to the execution of the merger agreement:

	Fiscal Year Ended July 31, (\$ in millions)						
	2015E	2016E	2017E	2018E	2019E	2020E	CAGR
<b>Net Sales</b>	<b>\$ 2,789</b>	<b>\$ 2,946</b>	<b>\$ 3,122</b>	<b>\$ 3,315</b>	<b>\$ 3,504</b>	<b>\$ 3,704</b>	<b>5.8%</b>
% Growth	0.0%	5.6%	6.0%	6.2%	5.7%	5.7%	
<b>Gross Profit</b>	<b>\$ 1,438</b>	<b>\$ 1,534</b>	<b>\$ 1,634</b>	<b>\$ 1,746</b>	<b>\$ 1,848</b>	<b>\$ 1,959</b>	
% Margin	51.6%	52.1%	52.4%	52.7%	52.7%	52.9%	
<b>Operating Income (EBIT)</b>	<b>\$ 547</b>	<b>\$ 617</b>	<b>\$ 686</b>	<b>\$ 765</b>	<b>\$ 835</b>	<b>\$ 903</b>	<b>10.5%</b>
% Margin	19.6%	20.9%	22.0%	23.1%	23.8%	24.4%	
Incremental Margin %		44%	40%	41%	37%	34%	
<b>EBITDA</b>	<b>\$ 663</b>	<b>\$ 732</b>	<b>\$ 800</b>	<b>\$ 879</b>	<b>\$ 947</b>	<b>\$ 1,010</b>	<b>8.8%</b>
% Margin	23.8%	24.8%	25.6%	26.5%	27.0%	27.3%	

Following providing the foregoing financial forecasts but prior to the execution of the merger agreement, senior management of Pall delivered to Danaher, the Pall board of directors and Goldman Sachs, in each case, updated estimates for fiscal year 2015 in respect of Net Sales (\$2,781 million), Gross Profit (\$1,436 million) and EBIT (\$544 million).

For purposes of the financial forecasts presented herein, (1) CAGR means compound annual growth rate; (2) EBIT is calculated as earnings before interest and taxes; and (3) EBITDA is calculated as earnings before interest, taxes, depreciation and amortization. EBDITA is calculated on a pro forma basis, which excludes restructuring and certain other charges that members of Pall senior management believe are not representative of the fundamental operating performance of the business.

**Regulatory Approvals***Antitrust Filings*

The HSR Act and the rules and regulations promulgated thereunder require that we and Danaher file notification and report forms with respect to the merger with the Antitrust Division and the FTC and observe a waiting period before consummating the merger. The required notification and report forms under the HSR Act were filed with the Antitrust Division and the FTC by Pall and Danaher on May 27, 2015, and on June 23, 2015 Pall received notice from the FTC that early termination of the applicable waiting period had been granted; as such, the condition to the closing of the merger related to the HSR Act has been satisfied. Additionally, the parties have agreed to make, or cause to be made, antitrust filings in the European Union, the People's Republic of China and certain other foreign jurisdictions.

At any time before or after the consummation of the merger, the Antitrust Division, the FTC, a U.S. state or a foreign governmental authority with jurisdiction over the parties could take such action under antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the consummation of the merger, to rescind the merger or to seek divestiture of particular assets. Private parties also may seek to take legal action under the antitrust laws under certain circumstances. Although there is no assurance that they will not do so, we do not expect any regulatory authority, state or private party to take legal action under the antitrust laws.

*Other Matters with Respect to Regulatory Approvals*



Danaher has the principal responsibility, subject to consultation with and participation from Pall, for devising and implementing the strategy for obtaining any of the required antitrust approvals as promptly as practicable and shall take the lead in all meetings and communications with, or proceedings involving, any governmental authority in connection with obtaining the required antitrust approvals. However, Danaher may not enter into any agreement, transaction or any agreement to effect any transaction that would reasonably be expected to materially delay or materially or adversely affect the parties' ability to receive timely expiration or termination of the waiting period under the HSR Act, or to obtain the authorizations, consents, orders and

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**Table of Contents**

approvals from governmental authorities required for the consummation of the merger. Although we do not expect the relevant regulatory authorities to raise any significant concerns in connection with their review of the merger, there is no assurance that all applicable waiting periods will expire, that Danaher will obtain all required regulatory approvals, that Pall and Danaher will be able to satisfy or comply with any conditions imposed, that compliance or non-compliance will not have adverse consequences on Pall and Danaher after the consummation of the merger; or that related litigation, if any, will be resolved favorably to Pall and Danaher.

Other than the filings described above, we are not aware of any mandatory regulatory filings to be made, approvals to be obtained or waiting periods to expire, in order to consummate the merger. If any approval or action is needed, however, we may not be able to obtain it or any of the other necessary approvals. Even if we could obtain all necessary approvals, and the merger agreement is adopted by our shareholders, conditions may be placed on the merger, our business or that of Danaher that could cause the parties to fail to consummate the merger.

**Litigation Relating to the Merger**

Four putative class actions have been filed by plaintiffs, on behalf of themselves and on behalf of an alleged class of Pall's shareholders, in New York state court (Nassau County) in connection with Danaher's proposed acquisition of Pall. *See Bernstein v. Pall Corp., et al.*, No. 603314/2015 (filed May 22, 2015); *Scheiner, et al. v. Pall Corp., et al.*, No. 603517/2015 (filed June 2, 2015); *Shekhar v. Pall Corp., et al.*, No. 603554/2015 (filed June 3, 2015); *Markovic v. Pall Corp., et al.*, No. 603632/2015 (filed June 5, 2015).

On June 19, 2015, the parties stipulated to consolidation of the above actions under the caption: *In re Pall Corp. Stockholder Litig.*, Index No. 603314/2015 (Sup. Ct., Nassau Cnty.). The consolidated amended complaint, filed June 23, 2015, names as defendants Pall, members of the Pall board of directors, Danaher, and Merger Sub. The complaint generally alleges that members of the Pall board of directors breached their fiduciary duties to shareholders of Pall by agreeing to the proposed transaction. Specifically, the amended complaint alleges the Pall board of directors engaged in a flawed sales process, agreed to an unfair price and to unreasonable deal protection devices, and failed to disclose material information. The amended complaint also alleges that Danaher and Merger Sub aided and abetted the alleged breaches by the members of the Pall board of directors of their fiduciary duties. The plaintiffs seek injunctive relief, including enjoining the consummation of the merger, compensatory damages, and an award of unspecified attorneys and other fees and costs, in addition to other relief. The defendants believe that the claims are without merit.

The outcome of the case is uncertain. If the case is not resolved, the lawsuit could prevent or delay consummation of the merger and result in substantial costs to Pall, including any costs associated with the indemnification of directors. Additional plaintiffs may file additional lawsuits against Pall and/or the directors and officers of Pall in connection with the merger.

**U.S. Federal Income Tax Consequences of the Merger**

The following summary is a general discussion of the principal U.S. federal income tax consequences of the merger to U.S. holders and non-U.S. holders (in each case, as defined below) of Pall common stock whose shares of Pall common stock are converted into the right to receive the merger consideration in the merger. This summary is based on the current provisions of the Internal Revenue Code, which we refer to as the "Code" in this proxy statement, applicable Treasury Regulations, judicial authority and administrative rulings, all of which are subject to change or differing interpretations, possibly with retroactive effect. Any such change could alter the tax consequences to the holders as described herein. No ruling from the Internal Revenue Service, which we refer to as the "IRS" in this proxy statement, has been or will be sought with respect to any aspect of the merger. This summary is for the general information of the holders only and does not purport to be a complete analysis of all potential tax effects of the

merger. For example, this summary does not address the effect of any applicable state, local or foreign income tax laws, any non-income tax laws or the Medicare contribution tax. In addition, this

**Table of Contents**

discussion does not address the tax consequences of transactions effectuated in connection with the consummation of the merger, including, without limitation, the tax consequences to holders of stock options issued by us or other compensation arrangements which are cancelled or converted, as the case may be, in connection with the merger. Furthermore, this summary applies only to holders that hold Pall common stock as capital assets (generally, property held for investment). In addition, this discussion does not address all aspects of U.S. federal income tax consequences that may be relevant to a holder in light of the holder's particular circumstances or to holders subject to special rules, such as:

broker-dealers;

taxpayers that have elected the mark-to-market method of tax accounting with respect to their Pall common stock;

persons holding Pall common stock as part of a straddle, hedging transaction, conversion transaction, integrated transaction or constructive sale transaction;

U.S. holders whose functional currency is not the U.S. dollar;

persons who acquired Pall common stock through the exercise of employee stock options or otherwise as compensation;

certain financial institutions;

insurance companies;

regulated investment companies;

real estate investment trusts;

certain former citizens or residents of the U.S.;

tax-exempt entities; or

persons liable for the U.S. alternative minimum tax.

If a partnership, or other entity that is classified as a partnership for U.S. federal income tax purposes, holds Pall common stock, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Pall common stock and partners in such partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences of the merger to them.

***U.S. Holders***

For purposes of this discussion, the term **U.S. holder** means a beneficial owner of Pall common stock that is for U.S. federal income tax purposes:

an individual citizen or resident of the U.S.;

a corporation, or other entity taxable as a corporation for such purposes, created or organized under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust (i) if the administration is subject to the primary supervision of a court within the United States, and one or more U.S. persons have the authority to control all substantial decisions of the trust; or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

The receipt of cash for shares of Pall common stock for cash in the merger will be a taxable transaction for U.S. federal income tax purposes. A U.S. holder whose shares of Pall common stock are converted into the right to receive cash in the merger will recognize capital gain or loss for U.S. federal income tax purposes in an

**Table of Contents**

amount equal to the difference, if any, between the amount of cash received with respect to such shares of Pall common stock and the U.S. holder's adjusted tax basis in such shares of Pall common stock. A U.S. holder's adjusted tax basis in its Pall common stock generally will equal the price the U.S. holder paid for such shares of Pall common stock. Gain or loss will be determined separately for each block of shares of Pall common stock (*i.e.*, shares of Pall common stock acquired at the same cost in a single transaction). Such gain or loss generally will be treated as long-term capital gain or loss if the U.S. holder's holding period in the shares of Pall common stock exceeds one year at the time of the consummation of the merger. Long-term capital gains of non-corporate U.S. holders generally are subject to U.S. federal income tax at preferential rates. The deductibility of capital losses is subject to limitations.

***Non-U.S. Holders***

A non-U.S. holder is a beneficial owner of Pall common stock for U.S. federal income tax purposes that is not a U.S. holder or a partnership (or other entity classified as a partnership for such purposes). Payments made to a non-U.S. holder in exchange for shares of Pall common stock pursuant to the merger generally will not be subject to U.S. federal income tax unless:

the gain, if any, on such shares of Pall common stock is effectively connected with a trade or business of the non-U.S. holder in the U.S. (and, if required by an applicable income tax treaty, is attributable to the non-U.S. holder's permanent establishment in the United States);

the non-U.S. holder is an individual who is present in the U.S. for 183 days or more in the taxable year of the exchange of shares of Pall common stock for cash pursuant to the merger and certain other conditions are met; or

the non-U.S. holder owned, directly or under certain constructive ownership rules of the Code, more than 5% of Pall common stock at any time during the five-year period preceding the merger, and we are or have been a U.S. real property holding corporation within the meaning of Section 897(c)(2) of the Code for U.S. federal income tax purposes at any time during the shorter of the five-year period preceding the merger or the period that the non-U.S. holder held Pall common stock.

Gain described in the first bullet point above will be subject to tax at generally applicable U.S. federal income tax rates. Any gain described in the first bullet point above of a non-U.S. holder that is a foreign corporation may also be subject to an additional branch profits tax at a 30% rate (or lower applicable treaty rate). A non-U.S. holder described in the second bullet point immediately above will be subject to tax at a rate of 30% (or a lower applicable treaty rate) on any gain realized, which may be offset by U.S.-source capital losses recognized in the same taxable year. If the third bullet point above applies to a non-U.S. holder, gain recognized by such holder will be subject to tax at generally applicable U.S. federal income tax rates. In addition, payments made to a non-U.S. holder in exchange for shares of Pall common stock pursuant to the merger will be subject to U.S. withholding at a rate of 10% of the amount realized in the disposition. We believe that we have not been a U.S. real property holding corporation for U.S. federal income tax purposes at any time during the five-year period preceding the merger.

**Information Reporting and Backup Withholding**

Payments made in exchange for shares of Pall common stock generally will be subject to information reporting unless the holder is an exempt recipient and may also be subject to backup withholding at a rate of 28%. To avoid backup

withholding, U.S. holders that do not otherwise establish an exemption should complete and return IRS Form W-9, certifying that such U.S. holder is a U.S. person, the taxpayer identification number provided is correct and such U.S. holder is not subject to backup withholding. A non-U.S. holder that provides the applicable withholding agent with an IRS Form W-8BEN, W-8BEN-E or W-8ECI, as appropriate, will generally establish an exemption from backup withholding.

**Table of Contents**

Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against a holder's U.S. federal income tax liability, provided the relevant information is timely furnished to the IRS.

**This discussion of U.S. federal income tax consequences of the merger is for general information only and is not tax advice. We urge you to consult your tax advisors with respect to the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences of the merger arising under the federal estate or gift tax rules or under any state, local or foreign tax laws or under any applicable tax treaty.**

**No Appraisal Rights**

Pursuant to Section 910 of the NYBCL, Pall's shareholders will not be entitled to appraisal rights if the merger agreement is adopted and the merger is consummated because Pall common stock was listed on the NYSE on the record date. Section 910 of the NYBCL provides that a dissenting shareholder's right to receive payment of the fair value of his, her or its shares under Section 623 of the NYBCL is not available to a holder of shares of any class or series of stock, which shares or depository receipts in respect thereof, were listed on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, at the record date fixed to determine the shareholders entitled to receive notice of the meeting of shareholders to vote upon the merger agreement.



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**Table of Contents**

**TERMS OF THE MERGER AGREEMENT**

*The following summary describes certain material provisions of the merger agreement and is qualified in its entirety by reference to the merger agreement, a copy of which is attached to this proxy statement as Annex A and which is incorporated by reference into this proxy statement. This summary does not purport to be complete and may not contain all of the information about the merger agreement that may be important to you. We encourage you to read the merger agreement carefully and in its entirety, as it is the legal document governing the merger. In this section of the proxy statement entitled *Terms of the Merger Agreement*, from time to time, we may refer to Pall, Danaher and Merger Sub collectively as the *parties* or individually as a *party*.*

**Explanatory Note Regarding the Merger Agreement**

The merger agreement has been included as Annex A for your convenience to provide you with information regarding its terms, and we recommend that you read it in carefully and its entirety. The merger agreement is a contractual document that is intended to govern the contractual rights and relationships, and to allocate risks, among Pall, Danaher and Merger Sub.

Following the consummation of the merger, each Pall shareholder is entitled to enforce the applicable provisions of the merger agreement to the extent necessary to receive the merger consideration to which such Pall shareholder is entitled in accordance with the terms and conditions of the applicable provisions of the merger agreement. In the event of termination of the merger agreement, a party to the merger may seek damages (including the loss of benefit of the merger agreement and any lost shareholder premium) in the case of a willful and material breach of the merger agreement by the other party or parties.

The merger agreement contains representations and warranties made by Danaher and Merger Sub, on the one hand, and Pall, on the other hand, that are qualified in several important respects, which you should consider as you read them in the merger agreement. The representations and warranties are qualified in their entirety by certain information of Pall filed with the SEC by Pall before the date of the merger agreement. In addition, the representations, warranties and covenants of the parties are qualified by confidential disclosure letters that Pall prepared and delivered to Danaher immediately before signing the merger agreement.

In addition, certain of the representations and warranties made by Danaher and Merger Sub, on the one hand, and Pall, on the other hand, were made as of a specified date, and may have been used for the purpose of allocating risk between the parties to the merger agreement rather than as establishing matters as facts. Moreover, certain of the representations, warranties and covenants of the parties may be subject to a contractual standard of materiality different from what might be viewed as material to shareholders.

None of the representations or warranties will survive the closing of the merger and they will therefore have no legal effect under the merger agreement after the closing of the merger. The parties will not be able to assert the inaccuracy of the representations and warranties as a basis for refusing to close unless all such inaccuracies as a whole would reasonably be expected to have or result in, individually or in the aggregate, a material adverse effect (as defined below in this section) on Pall, in the case of the representations and warranties made by Pall, or a material adverse effect on the ability of Danaher and Merger Sub to consummate the merger, in the case of the representations and warranties made by Danaher and Merger Sub, except for certain limited representations and warranties that must be true and correct in all respects, excluding any *de minimis* inaccuracies. Except as described below in the section entitled *Third-Party Beneficiaries* beginning on Page 89 of this proxy statement, shareholders are not third-party beneficiaries under the merger agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of Pall, Danaher or Merger Sub, or any

of their respective subsidiaries or affiliates.

Information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement. Pall will provide additional disclosure, if any, in its public reports of any material information necessary to provide Pall's shareholders with a materially complete understanding of the disclosures

## **Table of Contents**

relating to the merger agreement. Other than as disclosed in this proxy statement and the documents incorporated in this proxy statement by reference, as of the date of this proxy statement, Pall is not aware of any material facts that are required to be disclosed under the federal securities laws that would contradict the representations, warranties or covenants in the merger agreement. The representations, warranties and covenants in the merger agreement and the description of them in this proxy statement should not be read alone but instead should be read in conjunction with the other information contained in the reports, statements and filings Pall publicly files with the SEC. Such information can be found elsewhere in this proxy statement and in the public filings Pall makes with the SEC, as described in the section entitled *Where Shareholders Can Find More Information* beginning on Page 98 of this proxy statement.

## **Terms of the Merger; Merger Consideration**

The merger agreement provides that, upon the terms and subject to the conditions set forth in the merger agreement, and in accordance with the NYBCL, at the effective time of the merger, Merger Sub will be merged with and into Pall. As a result of the merger, the separate corporate existence of Merger Sub will cease, and Pall will continue as the surviving corporation of the merger and an indirect wholly owned subsidiary of Danaher. As a result of the merger, Pall, as the surviving corporation, will succeed to and assume all of the rights and obligations of Merger Sub and Pall.

At the effective time of the merger, upon the terms and subject to the conditions set forth in the merger agreement:

each share of Pall common stock issued and outstanding immediately prior to the effective time of the merger, other than excluded shares, will be canceled and converted automatically into the right to receive the merger consideration;

each excluded share, immediately prior to the effective time of the merger, will be automatically cancelled without any conversion, and no payment or distribution will be made with respect to such shares; and

each share of common stock, par value \$0.01 per share, of Merger Sub that is issued and outstanding immediately prior to the effective time of the merger, will be converted into one fully paid and non-assessable share of common stock, par value \$0.01 per share, of the surviving corporation.

If between the date of the merger agreement and the effective time of the merger the outstanding shares of Pall common stock are changed into a different number of shares or a different class, by reason of any stock dividend, subdivision, reclassification, recapitalization, split, combination, consolidation or exchange of shares, or any similar event, then the merger consideration will be appropriately adjusted to provide the holders of Pall common stock the same economic effect as contemplated by the merger agreement prior to any such event.

## **Closing of the Merger**

The closing of the merger will take place at 10:00 a.m., New York time, on the second business day after the later to be satisfied of the condition relating to the receipt of the requisite approval from Pall's shareholders to adopt the merger agreement and the condition relating to the receipt of applicable antitrust approvals (subject to the satisfaction or waiver (where permissible) of the other conditions to the consummation of the merger (other than those conditions that by their terms are to be satisfied at the closing of the merger, but subject to the satisfaction or waiver (where permissible) of such other conditions) unless another time or date is agreed to in writing by Pall and Danaher. For a description of the conditions to closing under the merger agreement, see below under the section entitled *Conditions*

*to Consummation of the Merger* beginning on Page 84 of this proxy statement.

**Effective Time of the Merger**

The effective time of the merger will be at the time the certificate of merger is duly filed with the Secretary of State of the State of New York or other such date and time as is agreed upon by the parties to the merger agreement and specified in the certificate of merger.

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**Table of Contents**

**Certificate of Incorporation; Bylaws; Directors and Officers of the Surviving Corporation**

At the effective time of the merger, the restated certificate of incorporation of Pall and the bylaws of Pall, in each case, as in effect as of the date of the merger agreement, will be amended in their entirety to conform to the certificate of incorporation and bylaws, respectively of Merger Sub as in effect immediately prior to the effective time of the merger (except that the name of the surviving corporation will be Pall Corporation ), subject to Danaher s and the surviving corporation s obligations described in the section entitled *Directors and Officers Indemnification and Insurance* beginning on Page 82 of this proxy statement. In addition, the directors of Merger Sub immediately prior to the effective time of the merger will be the initial directors of the surviving corporation and the individuals specified by Danaher prior to the effective time of the merger will be the initial officers of the surviving corporation, in each case, until their respective successors are duly elected or appointed and qualified, as the case may be, or until the earlier of their death, resignation or removal in accordance with the certificate of incorporation and bylaws of the surviving corporation.

**Treatment of Equity-Based Awards**

*Cancellation and Cash-Out of Certain Equity-Based Awards*

At the effective time of the merger:

each option to purchase Pall common stock that is outstanding and unexercised (whether or not vested or exercisable) as of immediately prior to the effective time of the merger will become fully vested and exercisable as of the effective time of the merger and will be cancelled and converted into the right to receive an amount in cash, without interest, from the surviving corporation equal to the excess, if any, of \$127.20 over the applicable per-share exercise price of such option (less any applicable withholding or other taxes, or other amounts required to be withheld);

each award under the Pall Management Stock Purchase Plan (whether vested or unvested) that is outstanding as of immediately prior to the effective time of the merger will become fully vested as of the effective time of the merger and will be cancelled and converted into the right to receive an amount in cash, without interest, from the surviving corporation equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld);

each Pall time-based restricted stock unit that is outstanding as of immediately prior to the effective time of the merger and that is vested in accordance with its terms as of immediately prior to the effective time of the merger or becomes vested in accordance with its terms solely as a result of the consummation of the transactions contemplated by the merger agreement will be cancelled and converted into the right to receive an amount in cash, without interest, from the surviving corporation equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld); and

each Pall performance-based restricted stock unit that is outstanding as of immediately prior to the effective time of the merger (whether or not vested) will become fully vested and deemed earned as of the effective time of the merger and will be cancelled and converted into

the right to receive an amount in cash, without interest, from the surviving corporation equal to \$127.20 (less any applicable withholding or other taxes, or other amounts required to be withheld); provided that the number of Pall performance-based restricted stock units that will be deemed earned for this purpose will be equal to the greater of (A) the target number of performance-based restricted stock units as specified in the applicable award agreement or (B) the number of performance-based restricted stock units that would have been earned by applying the performance criteria specified in the applicable award agreement to Pall's actual performance from the beginning of the performance period (as specified in the applicable award agreement) to the effective time of the merger.

## **Table of Contents**

### *Rollover of Certain Equity-Based Awards*

Each rollover award will be automatically assumed by Danaher at the effective time of the merger and will continue to have, and be subject to, the same terms and conditions as were applicable to such rollover award immediately prior to the effective time of the merger, except that each rollover award will relate to that number of shares of Danaher common stock (rounded to the nearest whole share) equal to the product of (A) the number of shares of Pall common stock that were issuable upon the vesting of such rollover award immediately prior to the effective time of the merger and (B) the ratio calculated by dividing \$127.20 by the average of the closing prices of Danaher common stock on the NYSE for the ten trading days immediately preceding the date on which the closing occurs.

### **Treatment of Stock Purchase Plans**

#### *Pall Employee Stock Purchase Plan*

With respect to the Pall Employee Stock Purchase Plan and each award granted thereunder:

participation in the plan will be limited to those individuals who are participants in the plan as of May 12, 2015, and such participants may not increase their payroll deductions or purchase elections from those in effect on the date of the merger agreement;

no new offering period shall commence on or after May 12, 2015;

if the anticipated closing date is scheduled to occur prior to the end of the offering period in effect as of May 12, 2015, the offering period will terminate and each plan award will be automatically exercised no later than ten business days prior to the anticipated closing date of the merger (which we refer to as the change in control exercise date in this proxy statement); and

the plan will be terminated effective upon the earliest of (i) the change in control exercise date, (ii) the end of the offering period in effect as of May 12, 2015 and (iii) the closing of the merger.

#### *Pall Management Stock Purchase Plan*

The Pall Management Stock Purchase Plan will be terminated and of no further force or effect as of the closing date.

### **Payment of Merger Consideration; Exchange of Shares in the Merger**

Prior to the effective time of the merger, Danaher will appoint a bank or trust company approved in advance by Pall (such approval not to be unreasonably withheld, conditioned or delayed) as a paying agent and enter into a paying agent agreement, in form and substance reasonably acceptable to Pall, with such paying agent for the payment of the merger consideration. At the closing of the merger, Danaher will deposit (or cause to be deposited), with the paying agent, for the benefit of the holders of shares of Pall common stock issued and outstanding immediately prior to the effective time of the merger (other than excluded shares), cash in an amount sufficient to pay the aggregate merger consideration payable to holders of such shares of Pall common stock. The payment fund will not be used for any other purpose but may be invested by the paying agent in certain investments, as directed by Danaher. Any net profit

resulting from, or interest or income produced by, such investments will be payable to the surviving corporation.

Promptly after the effective time of the merger, Danaher will cause to be mailed to each record holder of shares of Pall common stock (other than holders of excluded shares) (i) a customary letter of transmittal specifying that delivery will be effected, and risk of loss and title to any certificates evidencing ownership of Pall common stock will pass, only upon delivery of such certificates to the paying agent, and (ii) instructions for effecting the surrender of Pall common stock certificates or non-certificated shares of Pall common stock represented by book-entry in exchange for the merger consideration.



## **Table of Contents**

Upon surrender of share certificates (or effective affidavits of loss in lieu of such certificates) and a completed and executed letter of transmittal to the paying agent for cancellation (along with such other documents as the paying agent may customarily require), the holder of such certificated share of Pall common stock will be entitled to receive the merger consideration in exchange for such certificates, and the surrendered certificates will be canceled.

Under the merger agreement, each of the paying agent, the surviving corporation and Danaher are entitled to deduct and withhold such amounts as are required to be deducted and withheld under all applicable federal, state or local tax laws from the merger consideration otherwise payable to any holder of Pall common stock or Pall stock options and to pay such amounts deducted or withheld to the appropriate governmental authority. To the extent such amounts are properly withheld by the paying agent, the surviving corporation or Danaher, as the case may be, such withheld amounts will be treated for all purposes of the merger agreement as having been paid to the holder of Pall common stock or Pall stock options in respect of which such deduction and withholding was made by the paying agent, the surviving corporation or Danaher, as the case may be.

### **Pall Shareholders Should *Not* Return Share Certificates with the Enclosed Proxy Card, and Pall Shareholders Should *Not* Forward Share Certificates to the Paying Agent without a Letter of Transmittal.**

In the event of a transfer of ownership of shares of Pall common stock that is not registered in the transfer records of Pall, payment of the merger consideration may be made to a person other than the person in whose name the surrendered share certificate is registered if such certificate is presented to the paying agent, accompanied by all documents required to evidence and effect such transfer. The person requesting such payment must pay any applicable transfer or other taxes required or establish to the reasonable satisfaction of Danaher that such tax has been paid or is not applicable.

Until surrendered, each share certificate will be deemed at all times after the effective time of the merger as representing only the right to receive, upon surrender, the merger consideration to which the holder of such share certificate is entitled. No interest will be paid or accrue on any cash payable to holders of certificates.

Holders of non-certificated shares of Pall common stock represented by book-entry are not be required to deliver a share certificate or an executed letter of transmittal to the paying agent to receive the merger consideration. Rather, each registered holder of one or more shares of Pall common stock represented by book-entry is entitled to receive the merger consideration for each share held in book-entry at the effective time of the merger, which the surviving corporation will cause the paying agent to pay and deliver as soon as reasonably practicable after the effective time of the merger (but in no event more than three business days thereafter).

Pursuant to the merger agreement, following the date that is six months after the effective time of the merger, any portion of the funds held by the paying agent that remain unclaimed by former shareholders of Pall shall be delivered to the surviving corporation. Thereafter, former shareholders of Pall may look only to Danaher or the surviving corporation (subject to any applicable escheat or similar laws) for payment with respect to the merger consideration. Any portion of the payment fund remaining unclaimed by former shareholders of Pall as of a date which is immediately prior to such time as such amounts would otherwise escheat or become property of any governmental authority will, to the extent permitted by applicable law, become Danaher's property free and clear of any claims of interest of any person previously entitled thereto.

## **Lost Certificates**

If any Pall common stock certificate has been lost, stolen or destroyed, then upon (i) the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, and (ii) if required by the surviving

corporation, an indemnity bond in form and substance and with surety reasonably satisfactory to the surviving corporation, the paying agent will pay the merger consideration to which the holder of such lost, stolen or destroyed certificate is entitled pursuant to the merger agreement.

## **Table of Contents**

### **Closing of the Share Transfer Books**

At the effective time of the merger, the share transfer books of Pall will close and there will be no further registration of transfers of shares of Pall common stock thereafter on the records of Pall. From and after the effective time of the merger, the holders of shares of Pall common stock outstanding immediately prior to the effective time of the merger will cease to have any rights with respect to such shares of Pall common stock, except as otherwise provided in the merger agreement or by law. On or after the effective time of the merger, any Pall common stock certificates or non-certificated shares of Pall common stock represented in book-entry that are presented to the paying agent or Danaher for any reason shall be canceled against delivery of the merger consideration to which the holders thereof are entitled pursuant to the merger agreement.

### **No Appraisal Rights**

In accordance with Section 910 of the NYBCL, no appraisal rights are available to holders of shares of Pall common stock in connection with the merger.

### **Representations and Warranties**

The merger agreement contains customary representations and warranties made by Pall to Danaher and customary representations and warranties made by Danaher to Pall. These representations and warranties are subject to important limitations and qualifications agreed to by the parties in connection with negotiating the terms of the merger agreement. In particular, certain of the representations and warranties that Pall made in the merger agreement are qualified by certain confidential disclosures that Pall delivered to Danaher concurrently with the execution of the merger agreement. In addition, certain representations and warranties were made as of a specified date, may be subject to contractual standards of materiality different from those generally applicable to public disclosures to shareholders, may be subject in some cases to other exceptions and qualifications (including exceptions that do not result in, and would not reasonably be expected to have, a material adverse effect (as defined below in this section)), or may have been used for the purpose of allocating risk among the parties rather than establishing matters of fact. See also the definition of material adverse effect beginning on Page 72 of this proxy statement. Shareholders are not third-party beneficiaries under the merger agreement, and in reviewing the representations and warranties contained in the merger agreement or any descriptions thereof in this summary, it is important to bear in mind that such representations and warranties or any description thereof were not intended by the parties to the merger agreement to be characterizations of the actual state of facts or condition of Pall, Danaher or Merger Sub, or any of their respective subsidiaries or affiliates. For the foregoing reasons, the representations and warranties given by the parties in the merger agreement or any description thereof should not be read alone and should instead be read in conjunction with the other information contained in the reports, statements and filings that Pall and Danaher publicly file with the SEC. None of the representations and warranties in the merger agreement survive the consummation of the merger.

#### *Pall's Representations and Warranties*

Pall's representations and warranties under the merger agreement relate to, among other things:

the valid existence, good standing and corporate (or other legal entity) power of Pall and each of its subsidiaries, and Pall's ownership of its subsidiaries;

Pall's certificate of incorporation and bylaws, as well as those (or their equivalents) of its subsidiaries;

the capitalization of Pall, including the number of shares of Pall common stock, options and other stock-based awards outstanding and the ownership of the capital stock of its subsidiaries;

the absence of restrictions or encumbrances with respect to the capital stock of Pall and its subsidiaries;

the authority of Pall to enter into the merger agreement and consummate the merger and the other transactions contemplated by the merger agreement and the enforceability of the merger agreement against Pall;

**Table of Contents**

the absence of (i) any conflict with or violation of the organizational documents of Pall or any of its subsidiaries, (ii) any conflict with or violation of applicable laws, or (iii) any breach or default under, or any right of termination, amendment, acceleration or cancellation of, any contract of Pall or its subsidiaries, in each case, as a result of the execution and delivery by Pall of the merger agreement, the performance of Pall's obligations under the merger agreement and the consummation by Pall of the transactions contemplated by the merger agreement;

the consents and approvals required by, or filings or notices to be made with, governmental authorities in connection with the transactions contemplated by the merger agreement;

the possession of and compliance with required licenses, permits, approvals, certificates and other similar authorizations of any governmental authority necessary for the conduct of Pall's and its subsidiaries' business as conducted on May 12, 2015;

compliance with the applicable laws and governmental orders and contracts or permits to which Pall or its subsidiaries are a party or by which such entity or any property or asset of such entity is bound;

compliance with SEC filing requirements for Pall's SEC filings since August 1, 2013, including the accuracy of information contained in such documents, compliance with GAAP and the rules and regulations of the SEC with respect to the consolidated financial statements contained therein;

adequacy of disclosure controls and procedures, and absence of deficiencies in internal controls over financial reporting;

the absence of certain undisclosed liabilities;

the conduct of the business of Pall and its subsidiaries in the ordinary course of business consistent with past practice between February 1, 2015 and May 12, 2015;

the absence of a material adverse effect (as defined below in this section) since February 1, 2015;

the absence of certain legal proceedings, investigations and governmental orders or settlement agreements;

employee benefit plans;

labor and employment matters;

title to or valid leasehold interests in real property;

tax matters;

material contracts, the performance of obligations and the absence of breach or default thereunder and the absence of any suspension or debarment from doing business by any governmental authority;

insurance policies;

environmental matters;

intellectual property matters;

the approval and recommendation by the Pall board of directors of the merger agreement and the transactions contemplated by the merger agreement;

the required vote of the Pall shareholders to adopt the merger agreement and consummate the merger and the other transactions contemplated by the merger agreement;

the absence of a rights agreement and the inapplicability of any anti-takeover laws or similar anti-takeover provisions of the Pall certificate of incorporation or the Pall bylaws to the merger;

receipt by the Pall board of directors of an opinion of Pall's financial advisor as to the fairness, from a financial point of view, of the consideration to be received by holders of shares of Pall common stock upon the consummation of the merger; and

brokers' and financial advisors' fees related to the merger.

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**Table of Contents**

Many of the representations and warranties in the merger agreement are qualified by a materiality or material adverse effect standard (that is, they will not be deemed to be untrue or incorrect unless a materiality threshold is satisfied or their failure to be true or correct would, or would reasonably be expected to, result in a material adverse effect).

***Material Adverse Effect Definition***

For purposes of the merger agreement, a material adverse effect means, with respect to Pall, any event, circumstance, change or effect that, individually or in the aggregate with any other event, circumstance, change or effect, (i) has had, or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations of Pall and its subsidiaries, taken as a whole, or (ii) that prevents or materially delays to a date following the outside date (as defined in the section entitled *Termination; Effect of Termination* beginning on Page 86 of this proxy statement) the ability of Pall to consummate the merger (provided that clause (ii) of this definition shall be disregarded for purposes of determining whether the conditions to closing have been satisfied under the merger agreement and for the purposes of termination provisions set forth in the merger agreement, as provided by the merger agreement) except that in the case of clause (i), events, circumstances, changes or effects resulting from any of the following, alone or in combination, shall not be deemed to constitute, and shall not be taken into account in determining whether there has been, a material adverse effect:

a change in general economic, political, regulatory, business, economic, financial, credit or capital market conditions, or any changes therein, including interest or exchange rates (but only to the extent such change, effect, development or circumstance does not have a materially disproportionate impact on Pall and its subsidiaries, taken as a whole, relative to other companies that operate in the industries in which Pall and its subsidiaries operate);

a change in the industries, or in the business conditions in the geographic regions, in which Pall and its subsidiaries operate (but only to the extent such change, effect, development or circumstance does not have a materially disproportionate impact on Pall and its subsidiaries, taken as a whole, relative to other companies that operate in the industries in which Pall and its subsidiaries operate);

any change in accounting requirements or principles required by GAAP (or any interpretations thereof) or required by any change in applicable laws (or any interpretations thereof) after May 12, 2015 (but only to the extent such change, effect, development or circumstance does not have a materially disproportionate impact on Pall and its subsidiaries, taken as a whole, relative to other companies that operate in the industries in which Pall and its subsidiaries operate);

any adoption, implementation, promulgation, repeal, modification, reinterpretation or proposal of any law after May 12, 2015 (but only to the extent such change, effect, development or circumstance does not have a materially disproportionate impact on Pall and its subsidiaries, taken as a whole, relative to other companies that operate in the industries in which Pall and its subsidiaries operate);

any liability arising out of any of the litigation matters disclosed in Pall's confidential schedule that Pall delivered to Danaher concurrently with the execution of the merger agreement to the extent such liability is

reasonably foreseeable from such disclosure;

any outbreak, escalation or acts of terrorism, armed hostility or war or any weather related event, fire or natural disaster (but only to the extent such change, effect, development or circumstance does not have a materially disproportionate impact on Pall and its subsidiaries, taken as a whole, relative to other companies that operate in the industries in which Pall and its subsidiaries operate);

the announcement of the execution of the merger agreement or the pendency of the transactions contemplated by the merger agreement; provided that this exception shall not affect certain representations and warranties made by Pall with respect to non-contravention or governmental approvals; and



**Table of Contents**

any action taken in compliance with the express terms of, or as expressly required by, the merger agreement (other than Pall's obligations to conduct its business in the ordinary course consistent with its past practice during the pendency of the merger) or any action taken at the written direction of Danaher or to which Danaher provided prior written consent.

Additionally, each of the following are excluded from the determination of a material adverse effect with respect to Pall and its subsidiaries: