

FLOW INTERNATIONAL CORPORATION COMPENSATION COMMITTEE CHARTER

The primary function of the Compensation Committee is assist the Board of Directors to ensure that all officers and key management personnel of the Company and its subsidiaries are effectively compensated in terms of salary, supplemental compensation and benefits which are internally equitable and externally competitive. The Compensation Committee shall establish and maintain a competitive, fair and equitable compensation and benefits policy designed to retain personnel, to stimulate their useful and profitable efforts on behalf of the Company and to attract necessary additions to the staff with appropriate qualifications.

Organization

The Compensation Committee shall be composed of at least three directors who are not officers or regular employees of the Company or of any subsidiary of the Company and who are considered as outside directors in accordance with the definition of outside directors in IRC s162m and qualified as disinterested directors in accordance with Rule 16b-3 of the Securities and Exchange Act of 1934 as amended. The CEO of the Company shall serve as member ex officio; shall not be Chairperson of the committee nor be entitled to vote on any matter brought before the committee, nor be counted for quorum purposes.

The members of the Committee shall be elected by the Board at the meeting of the Board following the annual meeting of shareholders and shall serve until their successors shall be duly elected and qualified. Unless a Chairman is appointed by the Board, the members of the Committee may designate a Chairman by majority vote of the full Committee membership.

Authority

The Compensation Committee shall have the authority to engage independent counsel, consultants or other advisors, and to meet with or call upon any person, including officers or employees of the Company for information and counsel.

Meetings

The Compensation Committee shall meet at least quarterly, or more frequently at the call of the Chairman, or in his or her absence, at the call of a Committee member. The CEO of the Company shall advise and make recommendations to the Committee and, in the normal course, attend meetings of the Committee and coordinate the implementation and execution of Committee determinations.

Responsibilities

The Compensation Committee shall have the following responsibilities:

- To recommend to the Board, policies concerning salaries of officers of the Company and its subsidiary corporations.

- To recommend to the Board any management incentive plan of the Company and/or its subsidiary corporations under which bonuses or other benefits are granted.
- To set the salary and/or bonus of each and every elected officer of the Company.
- To review and report salaries and bonuses of other Company or subsidiary officers.
- With the assistance of the Chairmen of the Board and of the Audit, Governance and Mergers & Acquisition Committees to review the performance of the CEO
- To provide for inclusion in the Company's annual proxy statement a report on executive compensation and CEO performance
- The Committee shall review the continued adequacy of this Charter on a periodic basis and shall comply with provisions in such general procedures for Board committees as approved by the full Board.

General Compensation Matters

- Review the individual elements of total compensation for elected officers which may include, but are not limited to, annual incentive awards, stock option grants, perquisites and approve salary adjustments.
- Administer and recommend participation in deferred compensation plans.
- Make recommendations to the Board regarding changes to existing compensation and benefits plans or propose additions or deletions to current plans.
- Review, annually, and recommend to the Board, the total compensation for the CEO and the four next most senior executives to include salary range, salary increase, perquisites, annual cash and long-term incentive opportunities and awards as well as appraise the performance of the CEO and the four next senior executives.
- Review succession plans for the Chief Executive Officer, Chief Operation Officer, Chief Financial Officer, Chief Legal Counsel and other key executives as may be designated.
- Review organizational changes and re-structuring that have significant company and business impact.
- Review as needed with an independent consultant, executive compensation matters and significant issues that relate to executive compensation.

- Review, annually, the Company's operating results and establish the amount, if any, of the merit budget and incentive plan awards.
- Review all employment contracts and severance payments having an annual value of \$100,000 or more.

Base Compensation

Review, annually, corporate and subsidiary overall base compensation practices against market and approve actions needed to achieve desired competitive posture.

Review, at least annually, the ranges and salaries of officers and key executives of the Company and its subsidiaries and approve recommended changes in salary ranges and pay.

Cash Incentive Compensation Plan Administration

Review, annually, incentive plan design changes, participation and award factors and make recommendations to the Board.

Review periodic reports from management concerning the administration and status of various cash incentive plans and ensure the plans continue to meet the intended objectives.

Long-term Incentive Compensation Plan Administration

Provide an overview of long-term incentive programs and plans by reviewing performance against objectives set jointly with top management.

Recommend to the board of Directors changes or amendments to the plan.

Review and recommend annual participation, amount of award and nature of award based upon performance against objectives.

Grant Board approved long-term incentive awards.

Employee Benefits

Review significant issues which relate to changes in employee retirement and benefit plans which may be presented by management or authorized management committee.

Recommend, as needed, the establishment of pension or welfare plan committees responsible for the development and administration of Company pension and welfare plans.