

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-11625

Pentair plc

(Exact name of Registrant as specified in its charter)

Ireland

98-1141328

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification number)

43 London Wall, London, EC2M 5TF, United Kingdom

(Address of principal executive offices)

Registrant's telephone number, including area code: 44-20-7347-8925

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§223.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company
(Do not check if a smaller reporting company)

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

On March 31, 2018, 178,386,369 shares of Registrant's common stock were outstanding.

Pentair plc and Subsidiaries

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PART I FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

Pentair plc and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Income (Unaudited)

<i>In millions, except per-share data</i>	Three months ended	
	March 31, 2018	March 31, 2017
Net sales	\$ 1,269.7	\$ 1,183.5
Cost of goods sold	807.7	761.2
Gross profit	462.0	422.3
Selling, general and administrative	279.6	251.7
Research and development	30.1	30.0
Operating income	152.3	140.6
Other (income) expense:		
Loss on sale of business	5.3	—
Net interest expense	13.8	35.0
Other expense	1.4	2.0
Income from continuing operations before income taxes	131.8	103.6
Provision for income taxes	27.6	22.9
Net income from continuing operations	104.2	80.7
(Loss) income from discontinued operations, net of tax	(1.3)	7.1
Net income	\$ 102.9	\$ 87.8
Comprehensive income, net of tax		
Net income	\$ 102.9	\$ 87.8
Changes in cumulative translation adjustment	2.4	75.7
Changes in market value of derivative financial instruments, net of tax	(3.8)	1.6
Comprehensive income	\$ 101.5	\$ 165.1
Earnings (loss) per ordinary share		
<i>Basic</i>		
Continuing operations	\$ 0.58	\$ 0.44
Discontinued operations	(0.01)	0.04
Basic earnings per ordinary share	\$ 0.57	\$ 0.48
<i>Diluted</i>		
Continuing operations	\$ 0.58	\$ 0.44
Discontinued operations	(0.01)	0.04
Diluted earnings per ordinary share	\$ 0.57	\$ 0.48
Weighted average ordinary shares outstanding		
Basic	179.2	182.0
Diluted	181.5	184.0
Cash dividends paid per ordinary share	\$ 0.35	\$ 0.345

See accompanying notes to condensed consolidated financial statements.

Pentair plc and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)

<i>In millions, except per-share data</i>	March 31, 2018	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 907.5	\$ 113.3
Accounts and notes receivable, net of allowances of \$17.9 and \$22.6, respectively	985.2	831.6
Inventories	593.5	581.0
Other current assets	232.8	222.9
Total current assets	2,719.0	1,748.8
Property, plant and equipment, net	546.5	545.5
Other assets		
Goodwill	4,380.1	4,351.1
Intangibles, net	1,536.5	1,558.4
Other non-current assets	186.0	429.9
Total other assets	6,102.6	6,339.4
Total assets	\$ 9,368.1	\$ 8,633.7
Liabilities and Equity		
Current liabilities		
Current maturities of long-term debt and short-term borrowings	\$ 0.2	\$ —
Accounts payable	404.0	495.7
Employee compensation and benefits	142.7	186.6
Other current liabilities	480.6	517.1
Total current liabilities	1,027.5	1,199.4
Other liabilities		
Long-term debt	2,673.1	1,440.7
Pension and other post-retirement compensation and benefits	291.9	285.6
Deferred tax liabilities	369.1	394.8
Other non-current liabilities	286.8	275.4
Total liabilities	4,648.4	3,595.9
Equity		
Ordinary shares \$0.01 par value, 426.0 authorized, 178.4 and 180.3 issued at March 31, 2018 and December 31, 2017, respectively	1.8	1.8
Additional paid-in capital	2,654.7	2,797.7
Retained earnings	2,308.0	2,481.7
Accumulated other comprehensive loss	(244.8)	(243.4)
Total equity	4,719.7	5,037.8
Total liabilities and equity	\$ 9,368.1	\$ 8,633.7

See accompanying notes to condensed consolidated financial statements.

Pentair plc and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

<i>In millions</i>	Three months ended	
	March 31, 2018	March 31, 2017
Operating activities		
Net income	\$ 102.9	\$ 87.8
Loss (income) from discontinued operations, net of tax	1.3	(7.1)
Adjustments to reconcile net income from continuing operations to net cash provided by (used for) operating activities of continuing operations		
Equity income of unconsolidated subsidiaries	(0.6)	(0.2)
Depreciation	21.5	21.4
Amortization	24.7	24.0
Deferred income taxes	(10.6)	(4.7)
Loss on sale of business	5.3	—
Share-based compensation	6.0	16.4
Changes in assets and liabilities, net of effects of business acquisitions		
Accounts and notes receivable	(146.9)	(130.6)
Inventories	(6.3)	(8.6)
Other current assets	(2.4)	(18.0)
Accounts payable	(94.2)	(55.9)
Employee compensation and benefits	(46.6)	(23.9)
Other current liabilities	(20.8)	15.8
Other non-current assets and liabilities	(0.2)	(5.1)
Net cash provided by (used for) operating activities of continuing operations	(166.9)	(88.7)
Net cash provided by (used for) operating activities of discontinued operations	(0.7)	(17.3)
Net cash provided by (used for) operating activities	(167.6)	(106.0)
Investing activities		
Capital expenditures	(16.8)	(23.6)
Proceeds from sale of property and equipment	2.3	—
Payments due to the sale of businesses, net	(13.8)	—
Acquisitions, net of cash acquired	(2.9)	(56.7)
Net cash provided by (used for) investing activities of continuing operations	(31.2)	(80.3)
Net cash provided by (used for) investing activities of discontinued operations	—	(3.7)
Net cash provided by (used for) investing activities	(31.2)	(84.0)
Financing activities		
Net receipts (repayments) of short-term borrowings	0.2	(0.1)
Net receipts of commercial paper and revolving long-term debt	417.5	229.1
Proceeds from long-term debt	800.0	—
Debt issuance costs	(7.5)	—
Shares issued to employees, net of shares withheld	0.9	2.8
Repurchases of ordinary shares	(150.0)	—
Dividends paid	(63.3)	(62.8)
Net cash provided by (used for) financing activities	997.8	169.0
Effect of exchange rate changes on cash and cash equivalents	(4.8)	20.6
Change in cash and cash equivalents	794.2	(0.4)
Cash and cash equivalents, beginning of period	113.3	238.5
Cash and cash equivalents, end of period	\$ 907.5	\$ 238.1

See accompanying notes to condensed consolidated financial statements.

Pentair plc and Subsidiaries
Condensed Consolidated Statements of Changes in Equity (Unaudited)

<i>In millions</i>	Ordinary shares		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total
	Number	Amount				
Balance - December 31, 2017	180.3	\$ 1.8	\$ 2,797.7	\$ 2,481.7	\$ (243.4)	\$ 5,037.8
Net income	—	—	—	102.9	—	102.9
Cumulative effect of accounting changes	—	—	—	(214.0)	—	(214.0)
Other comprehensive loss, net of tax	—	—	—	—	(1.4)	(1.4)
Dividends declared	—	—	—	(62.6)	—	(62.6)
Share repurchase	(2.2)	—	(150.0)	—	—	(150.0)
Exercise of options, net of shares tendered for payment	0.1	—	5.8	—	—	5.8
Issuance of restricted shares, net of cancellations	0.3	—	—	—	—	—
Shares surrendered by employees to pay taxes	(0.1)	—	(4.8)	—	—	(4.8)
Share-based compensation	—	—	6.0	—	—	6.0
Balance - March 31, 2018	178.4	\$ 1.8	\$ 2,654.7	\$ 2,308.0	\$ (244.8)	\$ 4,719.7

<i>In millions</i>	Ordinary shares		Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total
	Number	Amount				
Balance - December 31, 2016	181.8	\$ 1.8	\$ 2,920.8	\$ 2,068.1	\$ (736.3)	\$ 4,254.4
Net income	—	—	—	87.8	—	87.8
Other comprehensive income, net of tax	—	—	—	—	77.3	77.3
Dividends declared	—	—	—	(64.0)	—	(64.0)
Exercise of options, net of shares tendered for payment	0.2	—	9.5	—	—	9.5
Issuance of restricted shares, net of cancellations	0.3	0.1	—	—	—	0.1
Shares surrendered by employees to pay taxes	(0.1)	—	(6.7)	—	—	(6.7)
Share-based compensation	—	—	16.4	—	—	16.4
Balance - March 31, 2017	182.2	\$ 1.9	\$ 2,940.0	\$ 2,091.9	\$ (659.0)	\$ 4,374.8

See accompanying notes to condensed consolidated financial statements.

Pentair plc and Subsidiaries**Notes to condensed consolidated financial statements (unaudited)****1. Basis of Presentation and Responsibility for Interim Financial Statements**

The accompanying unaudited condensed consolidated financial statements of Pentair plc and its subsidiaries ("we," "us," "our," "Pentair," or the "Company") have been prepared following the requirements of the U.S. Securities and Exchange Commission ("SEC") for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by accounting principles generally accepted in the United States of America ("GAAP") can be condensed or omitted.

We are responsible for the unaudited condensed consolidated financial statements included in this document. The financial statements include all normal recurring adjustments that are considered necessary for the fair presentation of our financial position and operating results. As these are condensed financial statements, one should also read our consolidated financial statements and notes thereto, which are included in our Annual Report on Form 10-K for the year ended December 31, 2017.

Revenues, expenses, cash flows, assets and liabilities can and do vary during each quarter of the year. Therefore, the results and trends in these interim financial statements may not be indicative of those for a full year.

Our fiscal year ends on December 31. We report our interim quarterly periods on a calendar quarter basis.

Electrical separation

On April 3, 2018, our Board of Directors formally approved the plan to separate our Water business and Electrical business into two independent, publicly-traded companies (the "Separation") and certain details related to the Separation, including the record date, distribution date and distribution ratio. The Separation will occur by means of a distribution of the Company's Electrical business, to be effected by the transfer of the Electrical business from the Company to nVent Electric plc ("nVent") and the issuance of ordinary shares of nVent directly to holders of Company ordinary shares on a pro rata basis (the "Distribution"). The Distribution is expected to occur at 4:59 p.m., Eastern Time, on April 30, 2018.

Each Company shareholder will receive one ordinary share of nVent for every one ordinary share of Pentair held as of the close of business on April 17, 2018, the record date for the Distribution. nVent ordinary shares are expected to begin trading on the New York Stock Exchange on May 1, 2018, under the symbol "NVT." "When-issued" trading for nVent ordinary shares began on April 16, 2018 and will continue through April 30, 2018. Beginning on April 16, 2018 and continuing through April 30, 2018, there are two markets in Pentair ordinary shares: Pentair shares that trade in the "regular way" market trade with an entitlement to nVent ordinary shares to be distributed pursuant to the Distribution and Pentair shares that trade in the "ex-distribution" market trade without an entitlement to nVent ordinary shares.

Upon completion of the Separation, Electrical's jurisdiction of organization will be Ireland, but it will manage its affairs so that it will be centrally managed and controlled in the United Kingdom (the "U.K.") and therefore will have its tax residency in the U.K. The disclosures and financial statements within these condensed consolidated financial statements include the results of operations, financial condition and cash flows of the Electrical business as continuing operations.

Adoption of new accounting standards

On January 1, 2018, we adopted Accounting Standards Update ("ASU") No. 2017-07, "Retirement Benefits-Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." As a result of the adoption, the interest cost, expected return on plan assets and net actuarial gain/loss components of net periodic pension and post-retirement benefit cost have been reclassified from *Selling, general and administrative expense* to *Other expense*. Only the service cost component remains in *Operating income* and will be eligible for capitalization in assets on a prospective basis.

The effect of the retrospective presentation change related to the net periodic cost of our defined benefit pension and other post-retirement plans on our Condensed Consolidated Statements of Operations and Comprehensive Income was as follows:

<i>In millions</i>	Three months ended March 31, 2017		
	Previously Reported	As Revised	Effect of Change
Selling, general and administrative expenses	\$ 253.9	\$ 251.7	\$ (2.2)
Operating income	138.4	140.6	2.2
Other expense	—	2.2	2.2

Pentair plc and Subsidiaries**Notes to condensed consolidated financial statements (unaudited)**

On January 1, 2018, we adopted ASU No. 2016-16, "Accounting for Income Taxes: Intra-Entity Asset Transfers of Assets Other than Inventory." The ASU requires the tax effects of all intra-entity sales of assets other than inventory to be recognized in the period in which the transaction occurs. The adoption resulted in a \$215.8 million cumulative-effect adjustment recorded in retained earnings as of the beginning of 2018 that reflects a \$254.3 million reduction of a prepaid long term tax asset, partially offset by the establishment of \$38.5 million of deferred tax assets.

On January 1, 2018, we adopted ASU No. 2014-09, "Revenue from Contracts with Customers" and the related amendments ("ASC 606" or "the new revenue standard") using the modified retrospective method. As a result of adoption, the cumulative impact to our retained earnings at January 1, 2018 was \$1.8 million. The comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. We expect the impact of the adoption of the new standard to be immaterial to our net income on an ongoing basis.

A majority of our net sales continue to be recognized when products are shipped from our manufacturing facilities or delivery has occurred, depending on terms of the sale. Under the new standard, timing for recognition of certain revenue may be accelerated such that a portion of revenue will be recognized prior to shipment or delivery dependent upon contract-specific terms.

The impact of adopting the new standard primarily relates to the accounting for certain custom products manufactured by our Electrical segment. Previously revenue was recognized for these custom products upon shipment. However, as these products have no alternative use to the Company and we have an enforceable right to payment for our performance completed to date, revenue related to these custom products is now recognized over time. Additionally, the new revenue standard resulted in reclassifications on the Condensed Consolidated Balance Sheets related to accounting for sales returns.

As required by ASC 606, the impact of adoption of the new revenue standard on our Condensed Consolidated Statements of Operations and Comprehensive Income and Condensed Consolidated Balance Sheets was as follows:

Condensed Consolidated Statements of Operations and Comprehensive Income

<i>In millions</i>	Three months ended March 31, 2018		
	As Reported	Balances without adoption of ASC 606	Effect of Change
Net sales	\$ 1,269.7	\$ 1,261.1	\$ 8.6
Cost of goods sold	807.7	801.3	6.4
Provision for income taxes	27.6	27.2	0.4
Net income from continuing operations	104.2	102.4	1.8

Condensed Consolidated Balance Sheets

<i>In millions</i>	March 31, 2018		
	As Reported	Balances without adoption of ASC 606	Effect of Change
Assets			
Accounts and notes receivable, net	\$ 985.2	\$ 977.3	\$ 7.9
Inventories	593.5	602.6	(9.1)
Other current assets	232.8	222.8	10.0
Liabilities			
Other current liabilities	480.6	473.8	6.8
Deferred tax liabilities	369.1	368.6	0.5
Equity			
Retained Earnings	2,308.0	2,306.4	1.6

Pentair plc and Subsidiaries**Notes to condensed consolidated financial statements (unaudited)**

The cumulative effect of the changes made to our January 1, 2018 Condensed Consolidated Balance Sheet from the modified retrospective adoption of ASU 2016-16 and ASU 2014-09 was as follows:

Condensed Consolidated Balance Sheets

<i>In millions</i>	Balance at December 31, 2017	Adjustments due to ASU 2016-16	Adjustments due to ASU 2014-09	Balance at January 1, 2018
Assets				
Accounts and notes receivable, net	\$ 831.6	\$ —	\$ 6.5	\$ 838.1
Inventories	581.0	—	(3.4)	577.6
Other current assets	222.9	—	3.4	226.3
Other non-current assets	429.9	(246.5)	—	183.4
Liabilities				
Other current liabilities	517.1	—	6.5	523.6
Deferred tax liabilities	394.8	(30.7)	0.5	364.6
Equity				
Retained Earnings	2,481.7	(215.8)	1.8	2,267.7

New accounting standards issued but not yet adopted

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02, "Leases" ("the new lease standard" or "ASC 842"), which requires an entity to recognize both assets and liabilities arising from financing and operating leases, along with additional qualitative and quantitative disclosures. The new lease standard requirements are effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period, and early adoption is permitted. The Company has begun evaluating the new lease standard, including the review and implementation of the necessary changes to our existing processes and systems that will be required to implement this new standard. While we are unable to quantify the impact at this time, we expect the primary impact to our consolidated financial position upon adoption will be the recognition, on a discounted basis, of our minimum commitments under noncancelable operating leases on our consolidated balance sheets resulting in the recording of right of use assets and lease obligations. We currently do not expect ASC 842 to have a material effect on either our consolidated statement of operations or consolidated statement of cash flow. We plan to adopt ASC 842 in the first quarter of 2019.

2. Revenue***Revenue recognition***

Revenue is recognized when control of the promised goods or services are transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for transferring those goods or providing services. We account for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

When determining whether the customer has obtained control of the goods or services, we consider any future performance obligations. Generally, there is no post-shipment obligation on product sold other than warranty obligations in the normal and ordinary course of business. In the event significant post-shipment obligations were to exist, revenue recognition would be deferred until Pentair has substantially accomplished what it must do to be entitled to the benefits represented by the revenues.

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, and is the unit of account in ASC 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The majority of our contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. For contracts with multiple performance obligations, standalone selling price is generally readily observable.

Our performance obligations are satisfied at a point in time or over time as work progresses. Revenue from goods and services transferred to customers at a point in time accounted for 84.3% and 90.3% of our revenue for the three-month periods ended

Pentair plc and Subsidiaries

Notes to condensed consolidated financial statements (unaudited)

March 31, 2018 and 2017, respectively. Revenue on these contracts is recognized when obligations under the terms of the contract with our customer are satisfied; generally this occurs with the transfer of control upon shipment.

Revenue from products and services transferred to customers over time accounted for 15.7% and 9.7% of our revenue for the three-month periods ended March 31, 2018 and 2017, respectively. For the majority of our revenue recognized over time, we use an input measure to determine progress towards completion. Under this method, sales and gross profit are recognized as work is performed generally based on the relationship between the actual costs incurred and the total estimated costs at completion ("the cost-to-cost method") or based on efforts for measuring progress towards completion in situations in which this approach is more representative of the progress on the contract than the cost-to-cost method. Contract costs include labor, material, overhead and, when appropriate, general and administrative expenses. Changes to the original estimates may be required during the life of the contract and such estimates are reviewed on a regular basis. Sales and gross profit are adjusted using the cumulative catch-up method for revisions in estimated total contract costs. These reviews have not resulted in adjustments that were significant to our results of operations. For performance obligations related to long term contracts, when estimates of total costs to be incurred on a performance obligation exceed total estimates of revenue to be earned, a provision for the entire loss on the performance obligation is recognized in the period the loss is determined.

We use an output method to measure progress towards completion for certain of our Electrical businesses, as this method appropriately depicts performance towards satisfaction of the performance obligation. Under the output method, revenue is recognized based on number of units produced.

On March 31, 2018, we had \$168.7 million of remaining performance obligations on contracts with original expected duration of one year or more. We expect to recognize the majority of our remaining performance obligations on these contracts within the next 12 to 18 months.

Sales returns

The right of return may exist explicitly or implicitly with our customers. Our return policy allows for customer returns only upon our authorization. Goods returned must be product we continue to market and must be in salable condition. When the right of return exists, we adjust the transaction price for the estimated effect of returns. We estimate the expected returns based on historical sales levels, the timing and magnitude of historical sales return levels as a percent of sales, type of product, type of customer and a projection of this experience into the future.

Pricing and sales incentives

Our sales contracts may give customers the option to purchase additional goods or services priced at a discount. Options to acquire additional goods or services at a discount can come in many forms, such as customer programs and incentive offerings including pricing arrangements, promotions and other volume-based incentives.

We reduce the transaction price for certain customer programs and incentive offerings including pricing arrangements, promotions and other volume-based incentives that represent variable consideration. Sales incentives given to our customers are recorded using either the expected value method or most likely amount approach for estimating the amount of consideration to which Pentair shall be entitled. The expected value is the sum of probability-weighted amounts in a range of possible consideration amounts. An expected value is an appropriate estimate of the amount of variable consideration when there are a large number of contracts with similar characteristics. The most likely amount is the single most likely amount in a range of possible consideration amounts (that is, the single most likely outcome of the contract). The most likely amount is an appropriate estimate of the amount of variable consideration if the contract has limited possible outcomes (for example, an entity either achieves a performance bonus or does not).

Pricing is established at or prior to the time of sale with our customers and we record sales at the agreed-upon net selling price. However, one of our businesses allows customers to apply for a refund of a percentage of the original purchase price if they can demonstrate sales to a qualifying end customer. We use the expected value method to estimate the anticipated refund to be paid based on historical experience and reduce sales for the probable cost of the discount. The cost of these refunds is recorded as a reduction of the transaction price.

Volume-based incentives involve rebates that are negotiated at or prior to the time of sale with the customer and are redeemable only if the customer achieves a specified cumulative level of sales or sales increase. Under these incentive programs, at the time of sale, we reforecast the most likely amount of the rebate to be paid based on forecasted sales levels. These forecasts are updated at least quarterly for each customer and the transaction price is reduced for the anticipated cost of the rebate. If the forecasted sales for a customer changes, the accrual for rebates is adjusted to reflect the new amount of rebates expected to be earned by the customer.

Pentair plc and Subsidiaries**Notes to condensed consolidated financial statements (unaudited)***Shipping and handling costs*

Amounts billed to customers for shipping and handling activities after the customer obtains control are treated as a promised service performance obligation and recorded in *Net sales* in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income. Shipping and handling costs incurred by Pentair for the delivery of goods to customers are considered a cost to fulfill the contract and are included in *Cost of goods sold* in the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income.

Contract assets and liabilities

Contract assets consist of unbilled amounts resulting from sales under long-term contracts when the cost-to-cost method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer, such as when the customer retains a small portion of the contract price until completion of the contract. We typically receive interim payments on sales under long-term contracts as work progresses, although for some contracts, we may be entitled to receive an advance payment. Contract liabilities consist of advanced payments, billings in excess of costs incurred and deferred revenue.

Contract assets are recorded within *Other current assets* and contract liabilities are recorded within *Other current liabilities* in the Condensed Consolidated Balance Sheets.

Contract assets and liabilities consisted of the following:

<i>In millions</i>	March 31, 2018	December 31, 2017	\$ Change	% Change
Contract assets	\$ 118.0	\$ 121.4	\$ (3.4)	(2.8)%
Contract liabilities	41.4	43.4	(2.0)	(4.6)%
Net contract assets	\$ 76.6	\$ 78.0	\$ (1.4)	(1.8)%

The \$1.4 million decrease in net contract assets from December 31, 2017 to March 31, 2018 was primarily the result of timing of milestone payments. Approximately half of our contract liabilities at December 31, 2017 were recognized in revenue in the first quarter of 2018. There were no impairment losses recognized on our contract assets for the three months ended March 31, 2018.

Practical expedients and exemptions

We generally expense incremental costs of obtaining a contract when incurred because the amortization period would be less than one year. These costs primarily relate to sales commissions and are recorded in *Selling, general and administrative expense* in the Condensed Consolidated Statements of Operations and Comprehensive Income.

We do not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less. Further, we do not adjust the promised amount of consideration for the effects of a significant financing component if we expect, at contract inception, that the period between when we transfer a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

Revenue by category

We disaggregate our revenue from contracts with customers by geographic location, vertical and strategic business group ("SBG") for each of our segments, as we believe these best depict how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors.

Pentair plc and Subsidiaries

Notes to condensed consolidated financial statements (unaudited)

Geographic net sales information by segment, based on geographic destination of the sale, was as follows:

<i>In millions</i>	Three months ended March 31, 2018	
	Water	Electrical
U.S.	\$ 452.2	\$ 317.0
Western Europe	110.3	121.7
Developing ⁽¹⁾	113.0	56.9
Other Developed ⁽²⁾	56.8	43.3
Segment net sales	\$ 732.3	\$ 538.9

⁽¹⁾ Developing includes China, Eastern Europe, Latin America, the Middle East and Southeast Asia.

⁽²⁾ Other Developed includes Australia, Canada and Japan.

<i>In millions</i>	Three months ended March 31, 2017	
	Water	Electrical
U.S.	\$ 431.2	\$ 300.1
Western Europe	95.3	103.3
Developing ⁽¹⁾	104.9	62.1
Other Developed ⁽²⁾	51.5	36.7
Segment net sales	\$ 682.9	\$ 502.2

⁽¹⁾ Developing includes China, Eastern Europe, Latin America, the Middle East and Southeast Asia.

⁽²⁾ Other Developed includes Australia, Canada and Japan.

Vertical market net sales information for Water was as follows:

<i>In millions</i>	Three months ended	
	March 31, 2018	March 31, 2017
Residential	\$ 412.1	\$ 388.3
Commercial	151.8	144.7
Industrial	168.4	149.9
Water net sales	\$ 732.3	\$ 682.9

Vertical market net sales information for Electrical was as follows:

<i>In millions</i>	Three months ended	
	March 31, 2018	March 31, 2017
Industrial	\$ 243.5	\$ 220.5
Commercial & Residential	146.0	134.5
Energy	79.9	88.0
Infrastructure	69.5	59.2
Electrical net sales	\$ 538.9	\$ 502.2

Pentair plc and Subsidiaries**Notes to condensed consolidated financial statements (unaudited)**

Net sales information by SBG was as follows:

<i>In millions</i>	Three months ended	
	March 31, 2018	March 31, 2017
Aquatic Systems	\$ 240.4	\$ 222.5
Filtration Solutions	251.6	230.8
Flow Technologies	240.3	229.6
Total Water	732.3	682.9
Enclosures	254.1	226.5
Thermal Management	147.9	145.4
Electrical & Fastening Solutions	136.9	130.3
Total Electrical	538.9	502.2
Other	(1.5)	(1.6)
Consolidated net sales	\$ 1,269.7	\$ 1,183.5

3. Discontinued Operations

On April 28, 2017, we completed the sale of the Valves & Controls business to Emerson Electric Co. for \$3.15 billion in cash. The sale resulted in a gain of \$181.1 million, net of tax. The results of the Valves & Controls business have been presented as discontinued operations. The Valves & Controls business was previously disclosed as a stand-alone reporting segment. Transaction costs of \$11.2 million related to the sale of Valves & Controls were incurred during the three months ended March 31, 2017 and were recorded within *(Loss) income from discontinued operations, net of tax* presented below.

Operating results of discontinued operations are summarized below:

<i>In millions</i>	Three months ended	
	March 31, 2018	March 31, 2017
Net sales	\$ —	\$ 356.5
Cost of goods sold	—	267.9
Gross profit	—	88.6
Selling, general and administrative	—	79.5
Research and development	—	4.2
Operating income	\$ —	\$ 4.9
(Loss) income from discontinued operations before income taxes	\$ (0.7)	\$ 5.7
Income tax provision (benefit)	0.6	(1.4)
(Loss) income from discontinued operations, net of tax	\$ (1.3)	\$ 7.1

Pentair plc and Subsidiaries

Notes to condensed consolidated financial statements (unaudited)

4. Share Plans

Total share-based compensation expense for the three months ended March 31, 2018 and 2017 was as follows:

<i>In millions</i>	Three months ended	
	March 31, 2018	March 31, 2017
Restricted stock units	\$ 2.4	\$ 5.8
Stock options	1.2	4.5
Performance share units	2.4	6.1
Total share-based compensation expense	\$ 6.0	\$ 16.4

5. Restructuring

During the three months ended March 31, 2018 and the year ended December 31, 2017, we initiated and continued execution of certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business, specifically as part of the contemplation of the Separation. Initiatives during the three months ended March 31, 2018 included the reduction in hourly and salaried headcount of 200 employees, which included 175 in Water and 25 in Electrical. Initiatives during the year ended December 31, 2017 included the reduction in hourly and salaried headcount of approximately 500 employees, which included 250 in Water and 250 in Electrical.

Restructuring related costs included in *Selling, general and administrative* expenses in the Condensed Consolidated Statements of Operations and Comprehensive Income included costs for severance and other restructuring costs as follows:

<i>In millions</i>	Three months ended	
	March 31, 2018	March 31, 2017
Severance and related costs	\$ 10.6	\$ 20.6
Other	0.2	0.3
Total restructuring costs	\$ 10.8	\$ 20.9

Other restructuring costs primarily consist of asset impairment and various contract termination costs.

Restructuring costs by reportable segment were as follows:

<i>In millions</i>	Three months ended	
	March 31, 2018	March 31, 2017
Water	\$ 5.6	\$ 7.1
Electrical	2.8	9.3
Other	2.4	4.5
Consolidated	\$ 10.8	\$ 20.9

Activity related to accrued severance and related costs recorded in *Other current liabilities* in the Condensed Consolidated Balance Sheets is summarized as follows for the three months ended March 31, 2018:

<i>In millions</i>	March 31, 2018
Beginning balance	\$ 39.8
Costs incurred	10.6
Cash payments and other	(16.3)
Ending balance	\$ 34.1

Pentair plc and Subsidiaries**Notes to condensed consolidated financial statements (unaudited)****6. Earnings Per Share**

Basic and diluted earnings per share were calculated as follows:

	Three months ended	
	March 31, 2018	March 31, 2017
<i>In millions, except per-share data</i>		
Net income	\$ 102.9	\$ 87.8
Net income from continuing operations	\$ 104.2	\$ 80.7
Weighted average ordinary shares outstanding		
Basic	179.2	182.0
Dilutive impact of stock options, restricted stock units and performance share units	2.3	2.0
Diluted	181.5	184.0
Earnings (loss) per ordinary share		
Basic		
Continuing operations	\$ 0.58	\$ 0.44
Discontinued operations	(0.01)	0.04
Basic earnings per ordinary share	\$ 0.57	\$ 0.48
Diluted		
Continuing operations	\$ 0.58	\$ 0.44
Discontinued operations	(0.01)	0.04
Diluted earnings per ordinary share	\$ 0.57	\$ 0.48
Anti-dilutive stock options excluded from the calculation of diluted earnings per share	0.4	1.8

Pentair plc and Subsidiaries**Notes to condensed consolidated financial statements (unaudited)****7. Supplemental Balance Sheet Information**

<i>In millions</i>	March 31, 2018	December 31, 2017
Inventories		
Raw materials and supplies	\$ 255.7	\$ 255.1
Work-in-process	86.3	83.0
Finished goods	251.5	242.9
Total inventories	\$ 593.5	\$ 581.0
Other current assets		
Cost in excess of billings	\$ 118.0	\$ 121.4
Prepaid expenses	78.9	80.7
Prepaid income taxes	26.0	15.3
Other current assets	9.9	5.5
Total other current assets	\$ 232.8	\$ 222.9
Property, plant and equipment, net		
Land and land improvements	\$ 73.6	\$ 72.6
Buildings and leasehold improvements	361.4	354.5
Machinery and equipment	1,026.6	1,011.6
Construction in progress	38.0	35.1
Total property, plant and equipment	1,499.6	1,473.8
Accumulated depreciation and amortization	953.1	928.3
Total property, plant and equipment, net	\$ 546.5	\$ 545.5
Other non-current assets		
Prepaid income taxes	\$ —	\$ 254.3
Deferred income taxes	54.3	43.0
Deferred compensation plan assets	43.6	49.4
Other non-current assets	88.1	83.2
Total other non-current assets	\$ 186.0	\$ 429.9
Other current liabilities		
Dividends payable	\$ 62.4	\$ 63.1
Accrued warranty	45.2	41.0
Accrued rebates	71.9	92.7
Billings in excess of cost	30.2	29.9
Income taxes payable	23.9	31.1
Accrued restructuring	34.1	39.8
Other current liabilities	212.9	219.5
Total other current liabilities	\$ 480.6	\$ 517.1
Other non-current liabilities		
Income taxes payable	\$ 92.3	\$ 92.7
Self-insurance liabilities	51.1	48.3
Deferred compensation plan liabilities	43.6	49.4
Foreign currency contract liabilities	62.2	47.2
Other non-current liabilities	37.6	37.8
Total other non-current liabilities	\$ 286.8	\$ 275.4

Pentair plc and Subsidiaries
Notes to condensed consolidated financial statements (unaudited)
8. Goodwill and Other Identifiable Intangible Assets

The changes in the carrying amount of goodwill by segment were as follows:

<i>In millions</i>	December 31, 2017		Foreign currency translation/other		March 31, 2018	
Water	\$	2,112.9	\$	25.9	\$	2,138.8
Electrical		2,238.2		3.1		2,241.3
Total goodwill	\$	4,351.1	\$	29.0	\$	4,380.1

Identifiable intangible assets consisted of the following:

<i>In millions</i>	March 31, 2018			December 31, 2017		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
Definite-life intangibles						
Customer relationships	\$ 1,514.9	\$ (460.5)	\$ 1,054.4	\$ 1,513.9	\$ (437.5)	\$ 1,076.4
Trade names	1.5	(1.5)	—	1.5	(1.4)	0.1
Proprietary technology and patents	133.7	(98.4)	35.3	131.9	(94.2)	37.7
Total definite-life intangibles	1,650.1	(560.4)	1,089.7	1,647.3	(533.1)	1,114.2
Indefinite-life intangibles						
Trade names	446.8	—	446.8	444.2	—	444.2
Total intangibles	\$ 2,096.9	\$ (560.4)	\$ 1,536.5	\$ 2,091.5	\$ (533.1)	\$ 1,558.4

Identifiable intangible asset amortization expense was \$24.7 million and \$24.0 million for the three months ended March 31, 2018 and 2017, respectively.

Estimated future amortization expense for identifiable intangible assets during the remainder of 2018 and the next five years is as follows:

<i>In millions</i>	Q2-Q4					
	2018	2019	2020	2021	2022	2023
Estimated amortization expense	\$ 72.0	\$ 89.4	\$ 84.1	\$ 77.5	\$ 69.8	\$ 67.2

Pentair plc and Subsidiaries
Notes to condensed consolidated financial statements (unaudited)
9. Debt

Debt and the average interest rates on debt outstanding were as follows:

<i>In millions</i>	Average interest rate as of March 31, 2018	Maturity Year	March 31, 2018	December 31, 2017
Commercial paper	2.340%	2019	\$ 257.8	\$ 34.0
Revolving credit facilities	3.430%	2019	222.1	28.4
Senior notes - fixed rate ⁽¹⁾	2.900%	2018	255.3	255.3
Senior notes - fixed rate ⁽¹⁾	2.650%	2019	250.0	250.0
Senior notes - fixed rate - Euro ⁽¹⁾	2.450%	2019	615.4	594.4
Senior notes - fixed rate ⁽¹⁾	3.625%	2020	74.0	74.0
Senior notes - fixed rate ⁽¹⁾	5.000%	2021	103.8	103.8
Senior notes - fixed rate ⁽¹⁾	3.150%	2022	88.3	88.3
Senior notes - fixed rate ⁽¹⁾	4.650%	2025	19.3	19.3
Senior notes - fixed rate - nVent ⁽²⁾	3.950%	2023	300.0	—
Senior notes - fixed rate - nVent ⁽²⁾	4.550%	2028	500.0	—
Other	8.545%	2018	0.2	—
Unamortized debt issuance costs and discounts	N/A	N/A	(12.9)	(6.8)
Total debt			2,673.3	1,440.7
Less: Current maturities and short-term borrowings			(0.2)	—
Long-term debt			\$ 2,673.1	\$ 1,440.7

⁽¹⁾ Senior notes are guaranteed as to payment by Pentair plc and PISG

⁽²⁾ Senior notes are guaranteed as to payment by nVent plc, Pentair plc and PISG

Separation related debt

In March 2018, in anticipation of the Separation, nVent Finance S.à r.l. ("nVent Finance"), a subsidiary of Pentair that will become a subsidiary of nVent at the time of the completion of the Separation, issued \$300.0 million aggregate principal amount of 3.950% senior notes due 2023 (the "2023 Notes") and \$500.0 million aggregate principal amount of 4.550% senior notes due 2028 (the "2028 Notes" and, collectively with the 2023 Notes, the "nVent Notes").

The nVent Notes are fully and unconditionally guaranteed by nVent. In addition, the nVent Notes initially are fully and unconditionally guaranteed by Pentair and Pentair Investments Switzerland GmbH ("PISG"). Upon completion of the Separation, the guarantees of Pentair and PISG will be automatically and unconditionally terminated and released.

Additionally in March 2018, in anticipation of the Separation, nVent Finance entered into a credit agreement with a syndicate of banks providing for a five-year \$200.0 million senior unsecured term loan facility (the "nVent Term Loan Facility") and a five-year \$600.0 million senior unsecured revolving credit facility (the "nVent Revolving Credit Facility"). After the completion of the Separation, nVent Finance will have the option to request to increase the nVent Revolving Credit Facility in an aggregate amount of up to \$300.0 million, subject to customary conditions, including the commitment of the participating lenders. As of March 31, 2018, there were no outstanding borrowings under the nVent Term Loan Facility or the nVent Revolving Credit Facility. We expect that nVent Finance will have \$200.0 million of borrowings outstanding under the nVent Term Loan Facility and no borrowings under the nVent Revolving Credit Facility at the time of the Separation.

In connection with the Separation, nVent Finance will transfer to Pentair all cash in excess of \$50.0 million of nVent and its subsidiaries, including cash from the net proceeds from the borrowings under the nVent Term Loan Facility and the issuance of the nVent Notes, as consideration for the contribution of the assets of the Electrical business to nVent Finance by Pentair. Pentair expects to use the proceeds of such cash transfer to repay certain outstanding debt of Pentair.

Pentair plc and Subsidiaries**Notes to condensed consolidated financial statements (unaudited)****Other debt matters**

Pentair, PISG, Pentair Finance S.à r.l. ("PFSA") and Pentair, Inc. are parties to an amended and restated credit agreement (the "Credit Facility"), with Pentair and PISG as guarantors and PFSA and Pentair, Inc. as borrowers. The Credit Facility has a maximum aggregate availability of \$2,500.0 million and a maturity date of October 3, 2019. Borrowings under the Credit Facility generally bear interest at a variable rate equal to the London Interbank Offered Rate ("LIBOR") plus a specified margin based upon PFSA's credit ratings. PFSA must pay a facility fee ranging from 9.0 to 25.0 basis points per annum (based upon PFSA's credit ratings) on the amount of each lender's commitment and letter of credit fee for each letter of credit issued and outstanding under the Credit Facility.

PFSA is authorized to sell short-term commercial paper notes to the extent availability exists under the Credit Facility. PFSA uses the Credit Facility as back-up liquidity to support 100% of commercial paper outstanding. PFSA had \$257.8 million of commercial paper outstanding as of March 31, 2018 and \$34.0 million as of December 31, 2017, all of which was classified as long-term debt as we have the intent and the ability to refinance such obligations on a long-term basis under the Credit Facility.

Our debt agreements contain certain financial covenants, the most restrictive of which are in the Credit Facility (as updated for the Amendments), including that we may not permit (i) the ratio of our consolidated debt plus synthetic lease obligations to our consolidated net income (excluding, among other things, non-cash gains and losses) before interest, taxes, depreciation, amortization, non-cash share-based compensation expense, and up to a lifetime maximum \$25.0 million of costs, fees and expenses incurred in connection with certain acquisitions, investments, dispositions and the issuance, repayment or refinancing of debt, ("EBITDA") for the four consecutive fiscal quarters then ended (the "Leverage Ratio") to exceed 3.50 to 1.00 as of the last day of any period of four consecutive fiscal quarters and (ii) the ratio of our EBITDA for the four consecutive fiscal quarters then ended to our consolidated interest expense, including consolidated yield or discount accrued as to outstanding securitization obligations (if any), for the same period to be less than 3.00 to 1.00 as of the end of each fiscal quarter. For purposes of the Leverage Ratio, the Credit Facility provides for the calculation of EBITDA giving pro forma effect to certain acquisitions, divestitures and liquidations during the period to which such calculation relates. As of March 31, 2018, we were in compliance with all financial covenants in our debt agreements.

Total availability under the Credit Facility was \$2,220.1 million as of March 31, 2018, which was limited to \$183.4 million by the maximum Leverage Ratio in the Credit Facility's credit agreement.

In addition to the Credit Facility, we have various other credit facilities with an aggregate availability of \$31.2 million, of which there were \$0.2 million outstanding borrowings at March 31, 2018. Borrowings under these credit facilities bear interest at variable rates.

We have \$255.3 million of fixed rate senior notes maturing in September 2018. We classified this debt as long-term as of March 31, 2018 as we have the intent and ability to refinance such obligation on a long-term basis under the Credit Facility prior to maturity.

Debt outstanding, excluding unamortized issuance costs and discounts, at March 31, 2018 matures on a calendar year basis as follows:

<i>In millions</i>	Q2-Q4							
	2018	2019	2020	2021	2022	2023	Thereafter	Total
Contractual debt obligation maturities	\$ 0.2	\$ 1,600.6	\$ 74.0	\$ 103.8	\$ 88.3	\$ 300.0	\$ 519.3	\$ 2,686.2

10. Derivatives and Financial Instruments**Derivative financial instruments**

We are exposed to market risk related to changes in foreign currency exchange rates. To manage the volatility related to this exposure, we periodically enter into a variety of derivative financial instruments. Our objective is to reduce, where it is deemed appropriate to do so, fluctuations in earnings and cash flows associated with changes in foreign currency rates. The derivative contracts contain credit risk to the extent that our bank counterparties may be unable to meet the terms of the agreements. The amount of such credit risk is generally limited to the unrealized gains, if any, in such contracts. Such risk is minimized by limiting those counterparties to major financial institutions of high credit quality.

Pentair plc and Subsidiaries

Notes to condensed consolidated financial statements (unaudited)

Foreign currency contracts

We conduct business in various locations throughout the world and are subject to market risk due to changes in the value of foreign currencies in relation to our reporting currency, the U.S. dollar. We manage our economic and transaction exposure to certain market-based risks through the use of foreign currency derivative financial instruments. Our objective in holding these derivatives is to reduce the volatility of net earnings and cash flows associated with changes in foreign currency exchange rates. The majority of our foreign currency contracts have an original maturity date of less than one year.

At March 31, 2018 and December 31, 2017, we had outstanding foreign currency derivative contracts with gross notional U.S. dollar equivalent amounts of \$406.0 million and \$481.4 million, respectively. The impact of these contracts on the Condensed Consolidated Statements of Operations and Comprehensive Income was not material for any period presented.

Gains or losses on foreign currency contracts designated as hedges are reclassified out of Accumulated Other Comprehensive Loss ("AOCI") and into *Selling, general and administrative* expense in the Condensed Consolidated Statements of Operations and Comprehensive Income upon settlement. Such reclassifications during the three months ended March 31, 2018 and 2017 were not material.

Net investment hedge

We have net investments in foreign subsidiaries that are subject to changes in the foreign currency exchange rate. In September 2015, we designated the €500 million 2.45% Senior Notes due 2019 (the "2019 Euro Notes") as a net investment hedge for a portion of our net investment in our Euro denominated subsidiaries. The gains/losses on the 2019 Euro Notes have been included as a component of the cumulative translation adjustment account within AOCI. As of March 31, 2018 and December 31, 2017, we had a deferred foreign currency losses of \$50.6 million and \$29.6 million, respectively, in AOCI associated with the net investment hedge activity.

Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities measured at fair value are classified using the following hierarchy, which is based upon the transparency of inputs to the valuation as of the measurement date:

- Level 1:* Valuation is based on observable inputs such as quoted market prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2:* Valuation is based on inputs such as quoted market prices for similar assets or liabilities in active markets or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3:* Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

In making fair value measurements, observable market data must be used when available. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Fair value of financial instruments

The following methods were used to estimate the fair values of each class of financial instruments:

- short-term financial instruments (cash and cash equivalents, accounts and notes receivable, accounts and notes payable and variable-rate debt) — recorded amount approximates fair value because of the short maturity period;
- long-term fixed-rate debt, including current maturities — fair value is based on market quotes available for issuance of debt with similar terms, which are inputs that are classified as Level 2 in the valuation hierarchy defined by the accounting guidance;
- foreign currency contract agreements — fair values are determined through the use of models that consider various assumptions, including time value, yield curves, as well as other relevant economic measures, which are inputs that are classified as Level 2 in the valuation hierarchy defined by the accounting guidance; and
- deferred compensation plan assets (mutual funds, common/collective trusts and cash equivalents for payment of certain non-qualified benefits for retired, terminated and active employees) — fair value of mutual funds and cash equivalents are based on quoted market prices in active markets that are classified as Level 1 in the valuation hierarchy defined by

Pentair plc and Subsidiaries

Notes to condensed consolidated financial statements (unaudited)

the accounting guidance; fair value of common/collective trusts are based on observable inputs that are classified as Level 2 in the valuation hierarchy defined by the accounting guidance.

The recorded amounts and estimated fair values of total debt, excluding unamortized issuance costs and discounts, were as follows:

<i>In millions</i>	March 31, 2018		December 31, 2017	
	Recorded Amount	Fair Value	Recorded Amount	Fair Value
Variable rate debt	\$ 480.1	\$ 480.1	\$ 62.4	\$ 62.4
Fixed rate debt	2,206.1	2,250.8	1,385.1	1,424.0
Total debt	\$ 2,686.2	\$ 2,730.9	\$ 1,447.5	\$ 1,486.4

Financial assets and liabilities measured at fair value on a recurring and nonrecurring basis were as follows:

<i>In millions</i>	March 31, 2018			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Foreign currency contract assets	\$ —	\$ 0.6	\$ —	\$ 0.6
Foreign currency contract liabilities	—	(62.2)	—	(62.2)
Deferred compensation plan assets	36.8	6.8	—	43.6
Total recurring fair value measurements	\$ 36.8	\$ (54.8)	\$ —	\$ (18.0)

<i>In millions</i>	December 31, 2017			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Foreign currency contract assets	\$ —	\$ 0.6	\$ —	\$ 0.6
Foreign currency contract liabilities	—	(47.2)	—	(47.2)
Deferred compensation plan assets	42.8	6.6	—	49.4
Total recurring fair value measurements	\$ 42.8	\$ (40.0)	\$ —	\$ 2.8

Nonrecurring fair value measurements ⁽¹⁾

⁽¹⁾ During the fourth quarter of 2017, we completed our annual intangible assets impairment review. As a result, we recorded a pre-tax non-cash impairment charge of \$25.2 million for a trade name intangible in 2017. The impairment charge reduced the carrying value of the impacted trade name intangible to \$27.0 million. The fair value of trade names is measured using the relief-from-royalty method. This method assumes the trade name has value to the extent that the owner is relieved of the obligation to pay royalties for the benefits received from them. This method requires us to estimate the future revenue for the related brands, the appropriate royalty rate and the weighted average cost of capital.

11. Income Taxes

We manage our affairs so that we are centrally managed and controlled in the U.K. and therefore have our tax residency in the U.K. The provision for income taxes consists of provisions for U.K. and international income taxes. We operate in an international environment with operations in various locations outside the U.K. Accordingly, the consolidated income tax rate is a composite rate reflecting the earnings in the various locations and the applicable rates.

The effective income tax rate for the three months ended March 31, 2018 was 20.9%, compared to 22.1% for 2017. We continue to actively pursue initiatives to reduce our effective tax rate. The tax rate in any quarter can be affected positively or negatively by adjustments that are required to be reported in the specific quarter of resolution. The liability for uncertain tax positions was \$35.3 million and \$36.6 million at March 31, 2018 and December 31, 2017, respectively. We record penalties and

Pentair plc and Subsidiaries

Notes to condensed consolidated financial statements (unaudited)

interest related to unrecognized tax benefits in *Provision for income taxes* and *Net interest expense*, respectively, on the Condensed Consolidated Statements of Operations and Comprehensive Income, which is consistent with our past practices.

U.S. tax reform

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "Act") was signed into law making significant changes to the Internal Revenue Code. Changes include, but are not limited to, a corporate tax rate decrease from 35% to 21% effective for tax years beginning after December 31, 2017, the transition of U.S. international taxation from a worldwide tax system to a territorial system, and a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings as of December 31, 2017.

Given the significance of the Act, Staff Accounting Bulletin No. 118 ("SAB 118") was issued to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Act. SAB 118 allows registrants to record provisional amounts during a one year "measurement period." The measurement period is deemed to have ended when the registrant has obtained, prepared, and analyzed the information necessary to finalize its accounting. During the measurement period, impacts of the law are expected to be recorded at the time a reasonable estimate for all or a portion of the effects can be made, and provisional amounts can be recognized and adjusted as information becomes available, prepared, or analyzed.

The Company calculated its best estimate of the impact of the Act in its December 31, 2017 income tax provision in accordance with its understanding of the Act and guidance available as of the date of the filing of the Annual Report on Form 10-K and as a result recorded a provisional income tax benefit of \$84.8 million in the fourth quarter of 2017, the period in which the legislation was enacted. The provisional amount related to the remeasurement of certain deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future was a decrease to income tax expense of \$147.7 million. The remeasurement of deferred taxes requires further analysis regarding the state tax impacts of the remeasurement, the impact of the Act on the taxation of executive compensation arrangements, changes to tax capitalization provisions and other aspects of the Act that may impact our tax balances.

The amount related to the one-time transition tax on the mandatory deemed repatriation of foreign earnings was an increase to income tax expense of \$62.9 million. The determination of the transition tax requires additional analysis regarding the amount and composition of the Company's historical foreign earnings and foreign tax credit position.

We have not made any additional measurement-period adjustments related to these items during the quarter. However, we are continuing to gather additional information to complete our accounting for these items and expect to complete the analysis required to complete our accounting within the prescribed measurement period.

Pentair plc and Subsidiaries**Notes to condensed consolidated financial statements (unaudited)****12. Benefit Plans**

Components of net periodic benefit cost for our pension plans for the three months ended March 31, 2018 and 2017 were as follows:

<i>In millions</i>	U.S. pension plans	
	Three months ended	
	March 31, 2018	March 31, 2017
Service cost	\$ 0.8	\$ 2.6
Interest cost	3.0	4.1
Expected return on plan assets	(2.2)	(2.9)
Net periodic benefit cost	\$ 1.6	\$ 3.8

<i>In millions</i>	Non-U.S. pension plans	
	Three months ended	
	March 31, 2018	March 31, 2017
Service cost	\$ 1.8	\$ 1.8
Interest cost	1.1	0.9
Expected return on plan assets	(0.4)	(0.3)
Net periodic benefit cost	\$ 2.5	\$ 2.4

As described in Note 1, during the first quarter of 2018, the Company adopted ASU 2017-07. As a result, service costs are classified as employee compensation costs within *Cost of goods sold* and *Selling, general and administrative expense* within the Condensed Consolidated Statements of Operations and Comprehensive Income. All other components of net periodic benefit cost are classified within *Other expense* for the periods presented.

Components of net periodic benefit cost for our other post-retirement plans for the three months ended March 31, 2018 and 2017 were not material.

13. Shareholders' Equity**Share repurchases**

In December 2014, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of \$1.0 billion. The authorization expires on December 31, 2019. During the three months ended March 31, 2018, we repurchased 2.2 million of our shares for \$150.0 million pursuant to this authorization. As of March 31, 2018, we had \$450.0 million available for share repurchases under this authorization.

Dividends payable

On December 5, 2017, the Board of Directors declared a quarterly cash dividend of \$0.35 that was paid on February 9, 2018 to shareholders on record at the close of business on January 26, 2018 and approved a plan to increase the 2018 annual cash dividend to \$1.40, which is intended to be paid in four quarterly installments. Additionally, on February 27, 2018 the Board of Directors declared a quarterly cash dividend of \$0.35 payable on April 27, 2018 to shareholders of record at the close of business on April 13, 2018. As a result, the balance of dividends payable included in *Other current liabilities* on our Condensed Consolidated Balance Sheets was \$62.4 million and \$63.1 million at March 31, 2018 and December 31, 2017, respectively.

14. Segment Information

We evaluate performance based on net sales and segment income (loss) and use a variety of ratios to measure performance of our reporting segments. These results are not necessarily indicative of the results of operations that would have occurred had each segment been an independent, stand-alone entity during the periods presented. Segment income (loss) represents equity income of unconsolidated subsidiaries and operating income exclusive of intangible amortization, certain acquisition related expenses, costs of restructuring activities, impairments and other unusual non-operating items.

Pentair plc and Subsidiaries**Notes to condensed consolidated financial statements (unaudited)**

Financial information by reportable segment is as follows:

<i>In millions</i>	Three months ended	
	March 31, 2018	March 31, 2017
Net sales		
Water	\$ 732.3	\$ 682.9
Electrical	538.9	502.2
Other	(1.5)	(1.6)
Consolidated	\$ 1,269.7	\$ 1,183.5
Segment income (loss)		
Water	\$ 132.7	\$ 116.1
Electrical	106.3	104.3
Other	(28.5)	(34.7)
Consolidated	\$ 210.5	\$ 185.7

The following table presents a reconciliation of consolidated segment income to consolidated income from continuing operations before income taxes:

<i>In millions</i>	Three months ended	
	March 31, 2018	March 31, 2017
Segment income	\$ 210.5	\$ 185.7
Restructuring and other	(8.3)	(20.9)
Intangible amortization	(24.7)	(24.0)
Loss on sale of business	(5.3)	—
Separation costs	(24.6)	—
Net interest expense	(13.8)	(35.0)
Other expense	(2.0)	(2.2)
Income from continuing operations before income taxes	\$ 131.8	\$ 103.6

15. Commitments and Contingencies**Warranties and guarantees**

In connection with the disposition of our businesses or product lines, we may agree to indemnify purchasers for various potential liabilities relating to the sold business, such as pre-closing tax, product liability, warranty, environmental, or other obligations. The subject matter, amounts and duration of any such indemnification obligations vary for each type of liability indemnified and may vary widely from transaction to transaction.

Generally, the maximum obligation under such indemnifications is not explicitly stated and as a result, the overall amount of these obligations cannot be reasonably estimated. Historically, we have not made significant payments for these indemnifications. We believe that if we were to incur a loss in any of these matters, the loss would not have a material effect on our financial position, results of operations or cash flows.

We recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. In connection with the disposition of the Valves & Controls business, we agreed to indemnify Emerson Electric Co. for certain pre-closing tax liabilities. During the second quarter of 2017, we recorded a liability representing the fair value of our expected future obligation for this matter.

We provide service and warranty policies on our products. Liability under service and warranty policies is based upon a review of historical warranty and service claim experience. Adjustments are made to accruals as claim data and historical experience warrant.

Pentair plc and Subsidiaries**Notes to condensed consolidated financial statements (unaudited)**

The changes in the carrying amount of service and product warranties of continuing operations for the three months ended March 31, 2018 were as follows:

<i>In millions</i>	March 31, 2018	
Beginning balance	\$	41.0
Service and product warranty provision		16.5
Payments		(12.4)
Foreign currency translation		0.1
Ending balance	\$	45.2

Stand-by letters of credit, bank guarantees and bonds

In certain situations, Tyco International Ltd., Pentair Ltd.'s former parent company ("Tyco"), guaranteed performance by the flow control business of Pentair Ltd. ("Flow Control") to third parties or provided financial guarantees for financial commitments of Flow Control. In situations where Flow Control and Tyco were unable to obtain a release from these guarantees in connection with the spin-off of Flow Control from Tyco, we will indemnify Tyco for any losses it suffers as a result of such guarantees.

In disposing of assets or businesses, we often provide representations, warranties and indemnities to cover various risks including unknown damage to the assets, environmental risks involved in the sale of real estate, liability to investigate and remediate environmental contamination at waste disposal sites and manufacturing facilities and unidentified tax liabilities and legal fees related to periods prior to disposition. We do not have the ability to reasonably estimate the potential liability due to the inchoate and unknown nature of these potential liabilities. However, we have no reason to believe that these uncertainties would have a material adverse effect on our financial position, results of operations or cash flows.

In the ordinary course of business, we are required to commit to bonds, letters of credit and bank guarantees that require payments to our customers for any non-performance. The outstanding face value of these instruments fluctuates with the value of our projects in process and in our backlog. In addition, we issue financial stand-by letters of credit primarily to secure our performance to third parties under self-insurance programs.

As of March 31, 2018 and December 31, 2017, the outstanding value of bonds, letters of credit and bank guarantees totaled \$189.7 million and \$201.5 million, respectively.

16. Supplemental Guarantor Information

Pentair plc (the "Parent Company Guarantor") and PISG (the "Subsidiary Guarantor"), fully and unconditionally, guarantee the Notes of PFSA (the "Subsidiary Issuer"). The Subsidiary Guarantor is a Switzerland limited liability company and 100 percent-owned subsidiary of the Parent Company Guarantor. The Subsidiary Issuer is a Luxembourg private limited liability company and 100 percent-owned subsidiary of the Subsidiary Guarantor. The guarantees provided by the Parent Company Guarantor and Subsidiary Guarantor are joint and several.

The following supplemental financial information sets forth the Company's Condensed Consolidating Statement of Operations and Comprehensive Income (Loss), Condensed Consolidating Balance Sheets and Condensed Consolidating Statement of Cash Flows by relevant group within the Company: Pentair plc and PISG as the guarantors, PFSA as issuer of the debt and all other non-guarantor subsidiaries. Condensed consolidating financial information for Pentair plc, PISG and PFSA on a stand-alone basis is presented using the equity method of accounting for subsidiaries.

Pentair plc and Subsidiaries
Notes to condensed consolidated financial statements (unaudited)

Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
Three months ended March 31, 2018

<i>In millions</i>	Parent Company Guarantor	Subsidiary Guarantor	Subsidiary Issuer	Non-guarantor Subsidiaries	Eliminations	Consolidated Total
Net sales	\$ —	\$ —	\$ —	\$ 1,269.7	\$ —	\$ 1,269.7
Cost of goods sold	—	—	—	807.7	—	807.7
Gross profit	—	—	—	462.0	—	462.0
Selling, general and administrative	7.1	—	0.1	272.4	—	279.6
Research and development	—	—	—	30.1	—	30.1
Operating income (loss)	(7.1)	—	(0.1)	159.5	—	152.3
Loss (earnings) from continuing operations of investment in subsidiaries	(111.3)	(110.7)	(123.7)	—	345.7	—
Other (income) expense:						
Loss on sale of business	—	—	—	5.3	—	5.3
Net interest (income) expense	—	(0.3)	12.6	1.5	—	13.8
Other expense	—	—	—	1.4	—	1.4
Income (loss) from continuing operations before income taxes	104.2	111.0	111.0	151.3	(345.7)	131.8
Provision for income taxes	—	—	—	27.6	—	27.6
Net income (loss) from continuing operations	104.2	111.0	111.0	123.7	(345.7)	104.2
Loss from discontinued operations, net of tax	—	—	—	(1.3)	—	(1.3)
Earnings (loss) from discontinued operations of investment in subsidiaries	(1.3)	(1.3)	(1.3)	—	3.9	—
Net income (loss)	\$ 102.9	\$ 109.7	\$ 109.7	\$ 122.4	\$ (341.8)	\$ 102.9
Comprehensive income (loss), net of tax						
Net income (loss)	\$ 102.9	\$ 109.7	\$ 109.7	\$ 122.4	\$ (341.8)	\$ 102.9
Changes in cumulative translation adjustment	2.4	2.4	2.4	2.4	(7.2)	2.4
Changes in market value of derivative financial instruments, net of tax	(3.8)	(3.8)	(3.8)	(3.8)	11.4	(3.8)
Comprehensive income (loss)	\$ 101.5	\$ 108.3	\$ 108.3	\$ 121.0	\$ (337.6)	\$ 101.5

Pentair plc and Subsidiaries
Notes to condensed consolidated financial statements (unaudited)

Condensed Consolidating Balance Sheet
March 31, 2018

<i>In millions</i>	Parent Company Guarantor	Subsidiary Guarantor	Subsidiary Issuer	Non-guarantor Subsidiaries	Eliminations	Consolidated Total
Assets						
Current assets						
Cash and cash equivalents	\$ 0.2	\$ —	\$ —	\$ 907.3	\$ —	\$ 907.5
Accounts and notes receivable, net	—	—	—	985.2	—	985.2
Inventories	—	—	—	593.5	—	593.5
Other current assets	0.9	0.2	5.1	236.1	(9.5)	232.8
Total current assets	1.1	0.2	5.1	2,722.1	(9.5)	2,719.0
Property, plant and equipment, net	—	—	—	546.5	—	546.5
Other assets						
Investments in subsidiaries	5,104.8	5,009.0	7,068.3	—	(17,182.1)	—
Goodwill	—	—	—	4,380.1	—	4,380.1
Intangibles, net	—	—	—	1,536.5	—	1,536.5
Other non-current assets	2.2	96.0	870.6	1,283.4	(2,066.2)	186.0
Total other assets	5,107.0	5,105.0	7,938.9	7,200.0	(19,248.3)	6,102.6
Total assets	\$ 5,108.1	\$ 5,105.2	\$ 7,944.0	\$ 10,468.6	\$ (19,257.8)	\$ 9,368.1
Liabilities and Equity						
Current liabilities						
Current maturities of long-term debt and short-term borrowings	\$ —	\$ —	\$ —	\$ 0.2	\$ —	\$ 0.2
Accounts payable	1.5	—	—	402.5	—	404.0
Employee compensation and benefits	0.4	—	—	142.3	—	142.7
Other current liabilities	69.8	0.4	12.5	407.4	(9.5)	480.6
Total current liabilities	71.7	0.4	12.5	952.4	(9.5)	1,027.5
Other liabilities						
Long-term debt	286.5	—	2,922.7	1,530.1	(2,066.2)	2,673.1
Pension and other post-retirement compensation and benefits	—	—	—	291.9	—	291.9
Deferred tax liabilities	—	—	—	369.1	—	369.1
Other non-current liabilities	30.2	—	—	256.6	—	286.8
Total liabilities	388.4	0.4	2,935.2	3,400.1	(2,075.7)	4,648.4
Equity	4,719.7	5,104.8	5,008.8	7,068.5	(17,182.1)	4,719.7
Total liabilities and equity	\$ 5,108.1	\$ 5,105.2	\$ 7,944.0	\$ 10,468.6	\$ (19,257.8)	\$ 9,368.1

Pentair plc and Subsidiaries
Notes to condensed consolidated financial statements (unaudited)

Condensed Consolidating Statement of Cash Flows
Three months ended March 31, 2018

<i>In millions</i>	Parent Company Guarantor	Subsidiary Guarantor	Subsidiary Issuer	Non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities						
Net cash provided by (used for) operating activities	\$ 83.4	\$ 111.3	\$ 109.1	\$ (129.7)	\$ (341.7)	\$ (167.6)
Investing activities						
Capital expenditures	—	—	—	(16.8)	—	(16.8)
Proceeds from sale of property and equipment	—	—	—	2.3	—	2.3
Payments due to sale of businesses, net	—	—	—	(13.8)	—	(13.8)
Acquisitions, net of cash acquired	—	—	—	(2.9)	—	(2.9)
Net intercompany loan activity	—	(1.9)	(262.6)	103.1	161.4	—
Net cash provided by (used for) investing activities	—	(1.9)	(262.6)	71.9	161.4	(31.2)
Financing activities						
Net receipts of short-term borrowings	—	—	—	0.2	—	0.2
Net repayments of commercial paper and revolving long-term debt	—	—	223.8	193.7	—	417.5
Proceeds from long-term debt	—	—	—	800.0	—	800.0
Debt issuance costs	—	—	—	(7.5)	—	(7.5)
Net change in advances to subsidiaries	129.2	(109.4)	(91.4)	(108.7)	180.3	—
Shares issued to employees, net of shares withheld	0.9	—	—	—	—	0.9
Repurchases of ordinary shares	(150.0)	—	—	—	—	(150.0)
Dividends paid	(63.3)	—	—	—	—	(63.3)
Net cash provided by (used for) financing activities	(83.2)	(109.4)	132.4	877.7	180.3	997.8
Effect of exchange rate changes on cash and cash equivalents	—	—	21.1	(25.9)	—	(4.8)
Change in cash and cash equivalents	0.2	—	—	794.0	—	794.2
Cash and cash equivalents, beginning of period	—	—	—	113.3	—	113.3
Cash and cash equivalents, end of period \$	0.2 \$	— \$	— \$	907.3 \$	— \$	907.5

Pentair plc and Subsidiaries
Notes to condensed consolidated financial statements (unaudited)

Condensed Consolidating Statement of Operations and Comprehensive Income (Loss)
Three months ended March 31, 2017

<i>In millions</i>	Parent Company Guarantor	Subsidiary Guarantor	Subsidiary Issuer	Non-guarantor Subsidiaries	Eliminations	Consolidated Total
Net sales	\$ —	\$ —	\$ —	\$ 1,183.5	\$ —	\$ 1,183.5
Cost of goods sold	—	—	—	761.2	—	761.2
Gross profit	—	—	—	422.3	—	422.3
Selling, general and administrative	(11.0)	0.1	0.4	262.2	—	251.7
Research and development	—	—	—	30.0	—	30.0
Operating income (loss)	11.0	(0.1)	(0.4)	130.1	—	140.6
Loss (earnings) from continuing operations of investment in subsidiaries	(69.7)	(69.7)	(98.5)	—	237.9	—
Other (income) expense:						
Net interest expense (income)	—	(0.1)	28.4	6.7	—	35.0
Other expense	—	—	—	2.0	—	2.0
Income (loss) from continuing operations before income taxes	80.7	69.7	69.7	121.4	(237.9)	103.6
Provision for income taxes	—	—	—	22.9	—	22.9
Net income (loss) from continuing operations	80.7	69.7	69.7	98.5	(237.9)	80.7
Income from discontinued operations, net of tax	—	—	—	7.1	—	7.1
Earnings (loss) from discontinued operations of investment in subsidiaries	7.1	7.1	7.1	—	(21.3)	—
Net income (loss)	\$ 87.8	\$ 76.8	\$ 76.8	\$ 105.6	\$ (259.2)	\$ 87.8
Comprehensive income (loss), net of tax						
Net income (loss)	\$ 87.8	\$ 76.8	\$ 76.8	\$ 105.6	\$ (259.2)	\$ 87.8
Changes in cumulative translation adjustment	75.7	75.7	75.7	75.7	(227.1)	75.7
Changes in market value of derivative financial instruments, net of tax	1.6	1.6	1.6	1.6	(4.8)	1.6
Comprehensive income (loss)	\$ 165.1	\$ 154.1	\$ 154.1	\$ 182.9	\$ (491.1)	\$ 165.1

Pentair plc and Subsidiaries
Notes to condensed consolidated financial statements (unaudited)
**Condensed Consolidating Balance Sheet
December 31, 2017**

<i>In millions</i>	Parent Company Guarantor	Subsidiary Guarantor	Subsidiary Issuer	Non-guarantor Subsidiaries	Eliminations	Consolidated Total
Assets						
Current assets						
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ 113.3	\$ —	\$ 113.3
Accounts and notes receivable, net	—	—	—	831.6	—	831.6
Inventories	—	—	—	581.0	—	581.0
Other current assets	10.8	1.8	1.5	239.3	(30.5)	222.9
Total current assets	10.8	1.8	1.5	1,765.2	(30.5)	1,748.8
Property, plant and equipment, net	—	—	—	545.5	—	545.5
Other assets						
Investments in subsidiaries	5,205.1	5,109.6	7,156.1	—	(17,470.8)	—
Goodwill	—	—	—	4,351.1	—	4,351.1
Intangibles, net	—	—	—	1,558.4	—	1,558.4
Long-term intercompany debt	—	94.1	614.0	(708.1)	—	—
Other non-current assets	2.2	—	—	2,317.1	(1,889.4)	429.9
Total other assets	5,207.3	5,203.7	7,770.1	7,518.5	(19,360.2)	6,339.4
Total assets	\$ 5,218.1	\$ 5,205.5	\$ 7,771.6	\$ 9,829.2	\$ (19,390.7)	\$ 8,633.7
Liabilities and Equity						
Current liabilities						
Accounts payable	\$ 1.4	\$ —	\$ —	\$ 494.3	\$ —	\$ 495.7
Employee compensation and benefits	0.4	—	—	186.2	—	186.6
Other current liabilities	99.6	0.4	9.4	438.2	(30.5)	517.1
Total current liabilities	101.4	0.4	9.4	1,118.7	(30.5)	1,199.4
Other liabilities						
Long-term debt	48.4	—	2,652.8	628.9	(1,889.4)	1,440.7
Pension and other post-retirement compensation and benefits	—	—	—	285.6	—	285.6
Deferred tax liabilities	—	—	—	394.8	—	394.8
Other non-current liabilities	30.5	—	—	244.9	—	275.4
Total liabilities	180.3	0.4	2,662.2	2,672.9	(1,919.9)	3,595.9
Equity	5,037.8	5,205.1	5,109.4	7,156.3	(17,470.8)	5,037.8
Total liabilities and equity	\$ 5,218.1	\$ 5,205.5	\$ 7,771.6	\$ 9,829.2	\$ (19,390.7)	\$ 8,633.7

Pentair plc and Subsidiaries
Notes to condensed consolidated financial statements (unaudited)
Condensed Consolidating Statement of Cash Flows
Three months ended March 31, 2017

<i>In millions</i>	Parent Company Guarantor	Subsidiary Guarantor	Subsidiary Issuer	Non-guarantor Subsidiaries	Eliminations	Consolidated Total
Operating activities						
Net cash provided by (used for) operating activities	\$ 49.8	\$ 75.1	\$ 69.5	\$ (41.0)	\$ (259.4)	(106.0)
Investing activities						
Capital expenditures	—	—	—	(23.6)	—	(23.6)
Acquisitions, net of cash acquired	—	—	—	(56.7)	—	(56.7)
Net intercompany loan activity	—	—	(530.4)	(290.2)	820.6	—
Net cash provided by (used for) investing activities of continuing operations	—	—	(530.4)	(370.5)	820.6	(80.3)
Net cash provided by (used for) investing activities of discontinued operations	—	—	—	(3.7)	—	(3.7)
Net cash provided by (used for) investing activities	—	—	(530.4)	(374.2)	820.6	(84.0)
Financing activities						
Net repayments of short-term borrowings	—	—	—	(0.1)	—	(0.1)
Net receipts (repayments) of commercial paper and revolving long-term debt	—	—	234.0	(4.9)	—	229.1
Net change in advances to subsidiaries	10.2	(75.1)	206.9	419.2	(561.2)	—
Shares issued to employees, net of shares withheld	2.8	—	—	—	—	2.8
Dividends paid	(62.8)	—	—	—	—	(62.8)
Net cash provided by (used for) financing activities	(49.8)	(75.1)	440.9	414.2	(561.2)	169.0
Effect of exchange rate changes on cash and cash equivalents	—	—	20.1	0.5	—	20.6
Change in cash and cash equivalents	—	—	0.1	(0.5)	—	(0.4)
Cash and cash equivalents, beginning of period	—	—	—	238.5	—	238.5
Cash and cash equivalents, end of period	\$ —	\$ —	\$ 0.1	\$ 238.0	\$ —	238.1

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-looking Statements

This report contains statements that we believe to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact are forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets," "plans," "believes," "expects," "intends," "will," "likely," "may," "anticipates," "estimates," "projects," "should," "would," "positioned," "strategy," "future" or words, phrases or terms of similar substance or the negative thereof, are forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include the ability to satisfy the necessary conditions to consummate the Separation (as defined below) on a timely basis or at all; the ability to successfully separate the Water and Electrical businesses and realize the anticipated benefits from the Separation; adverse effects on the Water and Electrical business operations or financial results and the market price of our shares as a result of the announcement or consummation of the Separation; unanticipated transaction expenses, such as litigation or legal settlement expenses; changes in tax laws; the impact of the Separation on our employees, customers and suppliers; overall global economic and business conditions impacting the Water and Electrical businesses; future opportunities that our board may determine present greater potential to increase shareholder value; the ability of the Water and Electrical businesses to operate independently following the Separation; the ability to achieve the benefits of our restructuring plans; the ability to successfully identify, finance, complete and integrate acquisitions; competition and pricing pressures in the markets we serve; the strength of housing and related markets; volatility in currency exchange rates and commodity prices; inability to generate savings from excellence in operations initiatives consisting of lean enterprise, supply management and cash flow practices; increased risks associated with operating foreign businesses; the ability to deliver backlog and win future project work; failure of markets to accept new product introductions and enhancements; the impact of changes in laws and regulations, including those that limit U.S. tax benefits; the outcome of litigation and governmental proceedings; and the ability to achieve our long-term strategic operating goals. Additional information concerning these and other factors is contained in our filings with the U.S. Securities and Exchange Commission (the "SEC"), including this Quarterly Report on Form 10-Q. All forward-looking statements speak only as of the date of this report. Pentair assumes no obligation, and disclaims any obligation, to update the information contained in this report.

Overview

The terms "us," "we" "our" or "Pentair" refer to Pentair plc and its consolidated subsidiaries. We are a focused diversified industrial manufacturing company comprising two reporting segments: Water and Electrical. For the first three months of 2018, the Water segment and the Electrical segment represented approximately 58% and 42% of total revenues, respectively. We classify our operations into business segments based primarily on types of products offered and markets served:

- **Water** — The Water segment designs, manufactures and services innovative products and solutions to meet filtration, separation, flow and water management challenges in agriculture, aquaculture, foodservice, food and beverage processing, swimming pools, water supply and disposal and a variety of industrial applications.
- **Electrical** — The Electrical segment designs, manufactures, markets, installs and services high performance products and solutions that connect and protect some of the world's most sensitive equipment, buildings, and critical processes.

On April 28, 2017, we completed the sale of our Valves & Controls business to Emerson Electric Co. for \$3.15 billion. The sale resulted in a gain of \$181.1 million, net of tax. The results of the Valves & Controls business have been presented as discontinued operations for all periods presented. The Valves & Controls business was previously disclosed as a stand-alone reporting segment.

On April 3, 2018, our Board of Directors formally approved the plan to separate our Water business and Electrical business into two independent, publicly-traded companies (the "Separation") and certain details related to the Separation, including the record date, distribution date and distribution ratio. The Separation will occur by means of a distribution of the Company's Electrical business, to be effected by the transfer of the Electrical business from the Company to nVent Electric plc ("nVent") and the issuance of ordinary shares of nVent directly to holders of Company ordinary shares on a pro rata basis (the "Distribution"). The Distribution is expected to occur at 4:59 p.m., Eastern Time, on April 30, 2018.

Each Company shareholder will receive one ordinary share of nVent for every one ordinary share of Pentair held as of the close of business on April 17, 2018, the record date for the Distribution. nVent ordinary shares are expected to begin trading on the

New York Stock Exchange on May 1, 2018, under the symbol "NVT." "When-issued" trading for nVent ordinary shares began on April 16, 2018 and will continue through April 30, 2018. Beginning on April 16, 2018 and continuing through April 30, 2018, there are two markets in Pentair ordinary shares: Pentair shares that trade in the "regular way" market trade with an entitlement to nVent ordinary shares to be distributed pursuant to the Distribution and Pentair shares that trade in the "ex-distribution" market trade without an entitlement to nVent ordinary shares.

Upon completion of the Separation, Electrical's jurisdiction of organization will be Ireland, but it will manage its affairs so that it will be centrally managed and controlled in the United Kingdom (the "U.K.") and therefore will have its tax residency in the U.K. The disclosures within this Management's Discussion and Analysis of Financial Condition and Results of Operations include the results of operations, financial condition and cash flows of the Electrical business as continuing operations.

Key Trends and Uncertainties Regarding Our Existing Business

The following trends and uncertainties affected our financial performance in 2017 and the first three months of 2018 and will likely impact our results in the future:

- During 2017 and the first three months of 2018, we continued execution of certain business restructuring initiatives aimed at reducing our fixed cost structure and began realigning our business in contemplation of the Separation. We expect these actions will contribute to margin growth in 2018.
- We have identified specific product and geographic market opportunities that we find attractive and continue to pursue, both within and outside the United States. We are reinforcing our businesses to more effectively address these opportunities through research and development and additional sales and marketing resources. Unless we successfully penetrate these markets, our sales growth will likely be limited or may decline.
- We have experienced material and other cost inflation. We strive for productivity improvements, and we implement increases in selling prices to help mitigate this inflation. We expect the current economic environment will result in continuing price volatility for many of our raw materials, and we are uncertain as to the timing and impact of these market changes.

In 2018, our operating objectives include the following:

- Completing the execution of the Separation to create two industry-leading pure-play companies in Water and Electrical;
- Driving operating excellence through our Pentair Integrated Management System ("PIMS") initiatives, with specific focus on sourcing and supply management, cash flow management and lean operations;
- Achieving differentiated revenue growth through new products and global and market expansion;
- Optimizing our technological capabilities to increasingly generate innovative new products; and
- Focusing on developing global talent in light of our global presence.

CONSOLIDATED RESULTS OF OPERATIONS

The consolidated results of operations for the three months ended March 31, 2018 and 2017 were as follows:

<i>In millions</i>	Three months ended			
	March 31, 2018	March 31, 2017	\$ change	% / point change
Net sales	\$ 1,269.7	\$ 1,183.5	\$ 86.2	7.3 %
Cost of goods sold	807.7	761.2	46.5	6.1 %
Gross profit	462.0	422.3	39.7	9.4 %
<i>% of net sales</i>	36.4%	35.7%		0.7 pts
Selling, general and administrative	279.6	251.7	27.9	11.1 %
<i>% of net sales</i>	22.0%	21.3%		0.7 pts
Research and development	30.1	30.0	0.1	0.3 %
<i>% of net sales</i>	2.4%	2.5%		(0.1) pts
Operating income	152.3	140.6	11.7	8.3 %
<i>% of net sales</i>	12.0%	11.9%		0.1 pts
Loss on sale of business	5.3	—	5.3	N.M.
Net interest expense	13.8	35.0	(21.2)	(60.6)%
Other expense	1.4	2.0	(0.6)	(30.0)%
Income from continuing operations before income taxes	131.8	103.6	28.2	27.2 %
Provision for income taxes	27.6	22.9	4.7	20.5 %
<i>Effective tax rate</i>	20.9%	22.1%		(1.2) pts

N.M. Not Meaningful

Net sales

The components of the consolidated net sales change from the prior period were as follows:

	Three months ended March 31, 2018 over the prior year period
Volume	3.3%
Price	0.6
Core growth	3.9
Acquisition	—
Currency	3.4
Total	7.3%

The 7.3 percentage point increase in net sales in the first quarter of 2018 from 2017 was primarily driven by:

- increased sales volume in our residential, commercial and industrial businesses; and
- favorable foreign currency effects for the three months ended March 31, 2018.

The increase was partially offset by:

- lower project sales volume, particularly in the energy business; and
- large job adjustments to net sales of \$9.7 million in 2017 that did not recur in 2018.

Gross profit

The 0.7 percentage point increase in gross profit as a percentage of sales in the first quarter of 2018 from 2017 was primarily driven by:

- selective increases in selling prices to mitigate inflationary cost increases;
- large job adjustments negatively impacting gross profit by \$14.7 million in the first three months of 2017 that did not recur in the first three months of 2018;
- favorable mix as a result of the decline in lower margin project sales and growth in higher margin product sales; and
- higher contribution margin as a result of savings generated from our PIMS initiatives including lean and supply management practices.

This increase was partially offset by:

- inflationary increases related to labor costs and certain raw materials.

Selling, general and administrative ("SG&A")

The 0.7 percentage point increase in SG&A expense as a percentage of sales in the first quarter of 2018 from 2017 was primarily driven by:

- costs incurred in anticipation of the Separation of \$24.6 million in the first quarter of 2018;
- increased investment in sales and marketing to drive growth; and
- the reversal of a \$13.3 million indemnification liability in the first quarter of 2017 related to our 2012 transaction with Tyco (now known as Johnson Controls International plc) that did not recur in 2018.

This increase was partially offset by:

- restructuring costs of \$8.3 million in the first quarter of 2018, compared to \$20.9 million in the first quarter of 2017; and
- savings generated from restructuring and other lean initiatives.

Net interest expense

The 60.6 percent decrease in net interest expense in the first quarter of 2018 from 2017 was primarily driven by:

- the impact of lower debt levels during the first quarter of 2018, compared to the first quarter of 2017. In May 2017, the proceeds from the sale of the Valves & Controls business were utilized to repay all commercial paper and revolving long term debt and for the early extinguishment of \$1,659.3 million of aggregate principal amount of certain series of fixed rate outstanding notes.

This decrease was partially offset by:

- increased overall interest rates in effect on our outstanding variable rate debt during the first quarter of 2018, compared to the first quarter of 2017.

Provision for income taxes

The 1.2 percentage point decrease in the effective tax rate in the first quarter of 2018 from 2017 was primarily driven by:

- the mix of global earnings, including the impact of U.S. Tax Reform; and
- the tax impact and timing of losses incurred during the first quarter of 2018 compared to 2017.

This decrease was partially offset by:

- the unfavorable impact of discrete items that occurred during the first quarter of 2018 compared to 2017.

SEGMENT RESULTS OF OPERATIONS

The summary that follows provides a discussion of the results of operations of each of our two reportable segments (Water and Electrical). Each of these segments is comprised of various product offerings that serve multiple end users.

We evaluate performance based on sales and segment income and use a variety of ratios to measure performance of our reporting segments. Segment income represents equity income of unconsolidated subsidiaries and operating income exclusive of intangible amortization, certain acquisition related expenses, costs of restructuring activities, "mark-to-market" gain/loss for pension and other post-retirement plans, impairments and other unusual non-operating items.

Water

The net sales and segment income for Water were as follows:

<i>In millions</i>	Three months ended		% / point change
	March 31, 2018	March 31, 2017	
Net sales	\$ 732.3	\$ 682.9	7.2%
Segment income	132.7	116.1	14.3%
<i>% of net sales</i>	18.1%	17.0%	1.1 pts

Net sales

The components of the change in Water net sales from the prior period were as follows:

	Three months ended March 31, 2018 over the prior year period
Volume	3.5 %
Price	0.7
Core growth	4.2
Acquisition	(0.1)
Currency	3.1
Total	7.2 %

The 7.2 percent increase in net sales for Water in the first quarter of 2018 from 2017 was primarily driven by:

- sales growth across all three businesses, primarily as a result of increased volumes in the U.S and Western Europe;

- favorable foreign currency effects; and
- selective increases in selling prices to mitigate inflationary cost increases.

This increase was partially offset by:

- sales declines in the Middle East.

Segment income

The components of the change in Water segment income from the prior period were as follows:

	Three months ended March 31, 2018 over the prior year period
Growth	1.8 pts
Inflation	(2.2)
Productivity/Price	1.5
Total	1.1 pts

The 1.1 percentage point increase in segment income for Water as a percentage of net sales in the first quarter of 2018 from 2017 was primarily driven by:

- sales growth across all three businesses, primarily as a result of increased volumes in the U.S and Western Europe
- selective increases in selling prices to mitigate inflationary cost increases; and
- cost control and savings generated from back-office consolidation, reduction in personnel and other lean initiatives.

This increase was partially offset by:

- continued growth investments in research & development and sales & marketing; and
- inflationary increases related to labor costs and certain raw materials.

Electrical

The net sales and segment income for Electrical were as follows:

<i>In millions</i>	Three months ended		% / point change
	March 31, 2018	March 31, 2017	
Net sales	\$ 538.9	\$ 502.2	7.3 %
Segment income	106.3	104.3	1.9 %
<i>% of net sales</i>	19.7%	20.8%	(1.1) pts

Net sales

The components of the change in Electrical net sales from the prior period were as follows:

	Three months ended March 31, 2018 over the prior year period
Volume	2.5%
Price	0.6
Core growth	3.1
Currency	4.2
Total	7.3%

The 7.3 percent increase in net sales for Electrical in the first quarter of 2018 from 2017 was primarily driven by:

- favorable foreign currency effects;

- increased sales volume in our industrial and residential and commercial businesses; and
- selective increases in selling prices to mitigate inflationary cost increases.

This increase was partially offset by:

- continued slowdown in capital spending, particularly in the energy and infrastructure businesses, driving sales declines.

Segment income

The components of the change in Electrical segment income from the prior period were as follows:

	Three months ended March 31, 2018 over the prior year period
Growth	2.3 pts
Inflation	(2.6)
Productivity/Price	(0.8)
Total	(1.1) pts

The 1.1 percentage point decrease in segment income for Electrical as a percentage of net sales in the first quarter of 2018 from 2017 was primarily driven by:

- inflationary increases related to labor costs and certain raw materials;
- higher cost of sales due to manufacturing footprint rationalization and a new U.S. distribution center. We expect these investments will result in increased productivity and operating leverage in future periods; and
- lower sales volume in our energy business.

This decrease was partially offset by:

- higher sales volume in our industrial and residential and commercial businesses, which resulted in increased leverage on operating expenses;
- favorable mix as a result of the decline in lower margin project sales and growth in higher margin product sales; and
- cost control and savings generated from back-office consolidation, reduction in personnel and other lean initiatives.

LIQUIDITY AND CAPITAL RESOURCES

We generally fund cash requirements for working capital, capital expenditures, equity investments, acquisitions, debt repayments, dividend payments and share repurchases from cash generated from operations, availability under existing committed revolving credit facilities and in certain instances, public and private debt and equity offerings. Our primary revolving credit facilities have generally been adequate for these purposes, although we have negotiated additional credit facilities or completed debt and equity offerings as needed to allow us to complete acquisitions. We intended to issue commercial paper to fund our financing needs on a short-term basis and use our revolving credit facility as back-up liquidity to support commercial paper.

We are focusing on increasing our cash flow and repaying existing debt, while continuing to fund our research and development, marketing and capital investment initiatives. Our intent is to maintain investment grade credit ratings and a solid liquidity position.

We experience seasonal cash flows primarily due to seasonal demand in a number of markets within both our Water and Electrical segments. We generally borrow in the first quarter of our fiscal year for operational purposes, which usage reverses in the second quarter as the seasonality of our businesses peaks. End-user demand for pool and certain pumping equipment follows warm weather trends and is at seasonal highs from April to August. The magnitude of the sales spike is partially mitigated by employing some advance sale "early buy" programs (generally including extended payment terms and/or additional discounts). Demand for residential and agricultural water systems is also impacted by weather patterns, particularly by heavy flooding and droughts. Additionally, Electrical generally experiences increased demand for thermal protection products and services during the fall and winter months in the Northern Hemisphere and increased demand for electrical fastening products during the spring and summer months in the Northern Hemisphere.

Operating activities

Cash used for operating activities of continuing operations was \$166.9 million in the first three months of 2018, compared to \$88.7 million in the same period of 2017.

The \$166.9 million in net cash used for operating activities of continuing operations in the first three months of 2018 primarily reflects an increase in net working capital. Operating cash flows in the first three months of 2018 were negatively impacted by \$317.2 million due to the increase in net working capital, primarily the result of an increase in accounts receivable in anticipation of our peak sales season in the second and third quarters. The increase in net working capital was offset by \$150.4 million of net income from continuing operations, net of non-cash depreciation and amortization.

The \$88.7 million in net cash used for operating activities of continuing operations in the first three months of 2017 primarily reflects an increase in net working capital of \$221.2 million, offset by \$126.1 million of net income from continuing operations, net of non-cash depreciation and amortization.

Investing activities

Cash used for investing activities of continuing operations was \$31.2 million in the first three months of 2018, compared to \$80.3 million of cash used for investing activities in the same period of 2017. Net cash used for investing activities of continuing operations in the first three months of 2018 primarily reflects capital expenditures of \$16.8 million, cash paid for the settlement of a working capital adjustment related to the sale of the Valves & Controls business and cash paid for acquisitions of \$2.9 million. Net cash used for investing activities of continuing operations in the first three months of 2017 relates primarily to capital expenditures of \$23.6 million and acquisitions, net of cash acquired, of \$56.7 million.

Financing activities

Net cash provided by financing activities was \$997.8 million in the first three months of 2018, compared with \$169.0 million in the prior year period. As described further below, nVent Finance S.à r.l. ("nVent Finance"), a subsidiary of Pentair that will become a subsidiary of nVent at the time of the completion of the Separation, issued \$800.0 million aggregate principal amount of senior notes in March 2018 in anticipation of the Separation. This senior note issuance was offset by the repurchase of \$150.0 million of shares and the payment of dividends during the first three months of 2018. Net cash provided by financing activities in the first three months 2017 primarily relates to net receipts of commercial paper and revolving long-term debt, partially offset by payment of dividends.

Separation related debt

In March 2018, in anticipation of the Separation, nVent Finance issued \$300.0 million aggregate principal amount of 3.950% senior notes due 2023 (the "2023 Notes") and \$500.0 million aggregate principal amount of 4.550% senior notes due 2028 (the "2028 Notes" and, collectively with the 2023 Notes, the "nVent Notes").

The nVent Notes are fully and unconditionally guaranteed by nVent. In addition, the nVent Notes initially are fully and unconditionally guaranteed by Pentair and Pentair Investments Switzerland GmbH ("PISG"). Upon completion of the Separation, the guarantees of Pentair and PISG will be automatically and unconditionally terminated and released.

Additionally in March 2018, in anticipation of the Separation, nVent Finance entered into a credit agreement with a syndicate of banks providing for a five-year \$200.0 million senior unsecured term loan facility (the "nVent Term Loan Facility") and a five-year \$600.0 million senior unsecured revolving credit facility (the "nVent Revolving Credit Facility" and, together with the nVent Term Loan Facility, the "nVent Senior Credit Facilities"). After the completion of the Separation, nVent Finance will have the option to request to increase the nVent Revolving Credit Facility in an aggregate amount of up to \$300.0 million, subject to customary conditions, including the commitment of the participating lenders. As of March 31, 2018, there were no outstanding borrowings under the nVent Term Loan Facility or the nVent Revolving Credit Facility. We expect that nVent Finance will have \$200.0 million of borrowings outstanding under the nVent Term Loan Facility and no borrowings under the nVent Revolving Credit Facility at the time of the Separation.

In connection with the Separation, nVent Finance will transfer to Pentair all cash in excess of \$50.0 million of nVent and its subsidiaries, including cash from the net proceeds from the borrowings under the nVent Term Loan Facility and the issuance of the nVent Notes, as consideration for the contribution of the assets of the Electrical business to nVent Finance by Pentair. Pentair expects to use the proceeds of such cash transfer to repay certain outstanding debt of Pentair.

Other debt matters

Pentair, PISG, Pentair Finance S.à r.l. ("PFSA") and Pentair, Inc. are parties to an amended and restated credit agreement (the "Credit Facility"), with Pentair and PISG as guarantors and PFSA and Pentair, Inc. as borrowers. The Credit Facility had a maximum aggregate availability of \$2,500.0 million and a maturity date of October 3, 2019. Borrowings under the Credit Facility generally bear interest at a variable rate equal to the London Interbank Offered Rate ("LIBOR") plus a specified margin based upon PFSA's credit ratings. PFSA must pay a facility fee ranging from 9.0 to 25.0 basis points per annum (based upon PFSA's credit ratings) on the amount of each lender's commitment and letter of credit fee for each letter of credit issued and outstanding under the Credit Facility.

PFSA is authorized to sell short-term commercial paper notes to the extent availability exists under the Credit Facility. PFSA uses the Credit Facility as back-up liquidity to support 100% of commercial paper outstanding. PFSA had \$257.8 million of commercial paper outstanding as of March 31, 2018 and \$34.0 million as of December 31, 2017, all of which was classified as long-term debt as we have the intent and the ability to refinance such obligations on a long-term basis under the Credit Facility.

Our debt agreements contain certain financial covenants, the most restrictive of which are in the Credit Facility (as updated for the Amendments), including that we may not permit (i) the ratio of our consolidated debt plus synthetic lease obligations to our consolidated net income (excluding, among other things, non-cash gains and losses) before interest, taxes, depreciation, amortization, non-cash share-based compensation expense, and up to a lifetime maximum \$25.0 million of costs, fees and expenses incurred in connection with certain acquisitions, investments, dispositions and the issuance, repayment or refinancing of debt, ("EBITDA") for the four consecutive fiscal quarters then ended (the "Leverage Ratio") to exceed 3.50 to 1.00 as of the last day of any period of four consecutive fiscal quarters and (ii) the ratio of our EBITDA for the four consecutive fiscal quarters then ended to our consolidated interest expense, including consolidated yield or discount accrued as to outstanding securitization obligations (if any), for the same period to be less than 3.00 to 1.00 as of the end of each fiscal quarter. For purposes of the Leverage Ratio, the Credit Facility provides for the calculation of EBITDA giving pro forma effect to certain acquisitions, divestitures and liquidations during the period to which such calculation relates. As of March 31, 2018, we were in compliance with all financial covenants in our debt agreements.

Total availability under the Credit Facility was \$2,220.1 million as of March 31, 2018, which was limited to \$183.4 million by the maximum Leverage Ratio in the Credit Facility's credit agreement.

In addition to the Credit Facility, we have various other credit facilities with an aggregate availability of \$31.2 million, of which there were \$0.2 million outstanding borrowings at March 31, 2018. Borrowings under these credit facilities bear interest at variable rates.

As of March 31, 2018, we have \$59.6 million of cash held in certain countries in which the ability to repatriate is limited due to local regulations or significant potential tax consequences.

We expect to continue to have cash requirements to support working capital needs and capital expenditures, to pay interest and service debt and to pay dividends to shareholders quarterly. We believe we have the ability and sufficient capacity to meet these cash requirements by using available cash and internally generated funds and to borrow under our committed and uncommitted credit facilities.

Share repurchases

In December 2014, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of \$1.0 billion. The authorization expires on December 31, 2019. During the three months ended March 31, 2018, we repurchased 2.2 million of our shares for \$150.0 million pursuant to this authorization. As of March 31, 2018, we had \$450.0 million remaining available for share repurchases under this authorization.

Dividends

On February 27, 2018, the Board of Directors declared a quarterly cash dividend of \$0.35 payable on April 27, 2018 to shareholders of record at the close of business on April 13, 2018. Additionally, on December 5, 2017, the Board of Directors declared a quarterly cash dividend of \$0.35 that was paid on February 9, 2018 to shareholders of record at the close of business on January 26, 2018 and approved a plan to increase the 2018 annual cash dividend to \$1.40, which is intended to be paid in four quarterly installments. The 2018 increase will mark the 42nd consecutive year we have increased dividends. As a result, the balance of dividends payable included in *Other current liabilities* on our Consolidated Balance Sheets was \$62.4 million and \$63.1 million at March 31, 2018 and December 31, 2017, respectively.

We paid dividends in the first three months of 2018 of \$63.3 million, or \$0.350 per ordinary share, compared with \$62.8 million, or \$0.345 per ordinary share, in the prior year period.

Under Irish law, the payment of future cash dividends and repurchases of shares may be paid only out of Pentair plc's "distributable reserves" on its statutory balance sheet. Pentair plc is not permitted to pay dividends out of share capital, which includes share premiums. Distributable reserves may be created through the earnings of the Irish parent company and through a reduction in share capital approved by the Irish High Court. Distributable reserves are not linked to a U.S. generally accepted accounting principles ("GAAP") reported amount (e.g., retained earnings). Our distributable reserve balance was \$9.0 billion as of December 31, 2017.

Contractual obligations

The following summarizes our significant contractual debt and fixed-rate interest obligations that impact our liquidity. There have been no other material changes from the significant contractual obligations previously disclosed in Item 7 of our 2017 Annual Report on Form 10-K.

<i>In millions</i>	Q2-Q4								Total
	2018	2019	2020	2021	2022	2023	Thereafter		
Debt obligations	\$ 0.2	\$ 1,600.6	\$ 74.0	\$ 103.8	\$ 88.3	\$ 300.0	\$ 519.3	\$ 2,686.2	
Interest obligations on fixed-rate debt	\$ 52.3	\$ 74.4	\$ 67.0	\$ 46.0	\$ 40.8	\$ 38.2	\$ 116.4	\$ 435.1	

Other financial measures

In addition to measuring our cash flow generation or usage based upon operating, investing and financing classifications included in the Condensed Consolidated Statements of Cash Flows, we also measure our free cash flow. We have a long-term goal to consistently generate free cash flow that equals or exceeds 100 percent conversion of adjusted net income. Free cash flow is a non-GAAP financial measure that we use to assess our cash flow performance. We believe free cash flow is an important measure of liquidity because it provides us and our investors a measurement of cash generated from operations that is available to pay dividends, make acquisitions, repay debt and repurchase shares. In addition, free cash flow is used as a criterion to measure and pay compensation-based incentives. Our measure of free cash flow may not be comparable to similarly titled measures reported by other companies.

The following table is a reconciliation of free cash flow:

<i>In millions</i>	Three months ended	
	March 31, 2018	March 31, 2017
Net cash provided by (used for) operating activities of continuing operations	\$ (166.9)	\$ (88.7)
Capital expenditures of continuing operations	(16.8)	(23.6)
Proceeds from sale of property and equipment of continuing operations	2.3	—
Free cash flow from continuing operations	\$ (181.4)	\$ (112.3)
Net cash provided by (used for) operating activities of discontinued operations	(0.7)	(17.3)
Capital expenditures of discontinued operations	—	(3.9)
Proceeds from sale of property and equipment of discontinued operations	—	0.2
Free cash flow	\$ (182.1)	\$ (133.3)

NEW ACCOUNTING STANDARDS

See Note 1 of the Notes to Condensed Consolidated Financial Statements for information pertaining to recently adopted accounting standards or accounting standards to be adopted in the future.

CRITICAL ACCOUNTING POLICIES

We have adopted various accounting policies to prepare the consolidated financial statements in accordance with GAAP. Certain of our accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. In our 2017 Annual Report on Form 10-K, we identified the critical accounting policies which affect our more significant estimates and assumptions used in preparing our consolidated financial statements. Significant changes to our critical accounting estimates as a result of adopting ASC 606 are discussed below:

Revenues

Accounting for long-term contracts involves the use of various techniques to estimate total contract revenue and costs. Contract estimates are based on various assumptions to project the outcome of future events that may span multiple years. We review and update our contract-related estimates regularly. We recognize adjustments in estimated profit on contracts under the cumulative catch-up method. Under this method, the impact of the adjustment on profit recorded to date is recognized in the period the adjustment is identified.

There have been no other material changes to our critical accounting policies and estimates from those disclosed in our 2017 Annual Report on Form 10-K for the year ended December 31, 2017.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our market risk during the quarter ended March 31, 2018. For additional information, refer to Item 7A of our 2017 Annual Report on Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

We maintain a system of disclosure controls and procedures designed to provide reasonable assurance as to the reliability of our published financial statements and other disclosures included in this report. Our management evaluated, with the participation of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the quarter ended March 31, 2018 pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon their evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective, at the reasonable assurance level, as of the end of the quarter ended March 31, 2018 to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms, and to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosures.

(b) Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We have been made parties to a number of actions filed or have been given notice of potential claims relating to the conduct of our business, including those pertaining to commercial disputes, product liability, asbestos, environmental, safety and health, patent infringement and employment matters.

While we believe that a material impact on our consolidated financial position, results of operations or cash flows from any such future claims or potential claims is unlikely, given the inherent uncertainty of litigation, a remote possibility exists that a future adverse ruling or unfavorable development could result in future charges that could have a material adverse impact. We do and will continue to periodically reexamine our estimates of probable liabilities and any associated expenses and receivables and make appropriate adjustments to such estimates based on experience and developments in litigation. As a result, the current estimates of the potential impact on our consolidated financial position, results of operations and cash flows for the proceedings and claims described in the notes to our consolidated financial statements could change in the future.

Asbestos matters

Our subsidiaries and numerous other companies are named as defendants in personal injury lawsuits based on alleged exposure to asbestos-containing materials. These cases typically involve product liability claims based primarily on allegations of manufacture, sale or distribution of industrial products that either contained asbestos or were attached to or used with asbestos-containing components manufactured by third-parties. Each case typically names between dozens to hundreds of corporate defendants. While we have observed an increase in the number of these lawsuits over the past several years, including lawsuits by plaintiffs with mesothelioma-related claims, a large percentage of these suits have not presented viable legal claims and, as a result, have been dismissed by the courts. Our historical strategy has been to mount a vigorous defense aimed at having unsubstantiated suits dismissed, and, where appropriate, settling suits before trial. Although a large percentage of litigated suits have been dismissed, we cannot predict the extent to which we will be successful in resolving lawsuits in the future.

As of March 31, 2018, there were approximately 600 claims outstanding against our subsidiaries. This amount is not adjusted for claims that are not actively being prosecuted, identified incorrect defendants, or duplicated other actions, which would ultimately reflect our current estimate of the number of viable claims made against us, our affiliates, or entities for which we assumed responsibility in connection with acquisitions or divestitures. In addition, the amount does not include certain claims pending against third parties for which we have been provided an indemnification.

Environmental matters

We have been named as defendant, target or a potentially responsible party ("PRP") in a number of environmental clean-ups relating to our current or former business units. We have disposed of a number of businesses in recent years and in certain cases, we have retained responsibility and potential liability for certain environmental obligations. We have received claims for indemnification from certain purchasers. We may be named as a PRP at other sites in the future for existing business units, as well as both divested and acquired businesses. In addition to cleanup actions brought by governmental authorities, private parties could bring personal injury or other claims due to the presence of, or exposure to, hazardous substances.

Certain environmental laws impose liability on current or previous owners or operators of real property for the cost of removal or remediation of hazardous substances at their properties or at properties at which they have disposed of hazardous substances. We have projects underway at several current and former manufacturing facilities to investigate and remediate environmental contamination resulting from our past operations or by other businesses that previously owned or used the properties.

Our accruals for environmental matters are recorded on a site-by-site basis when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, based on current law and existing technologies. It can be difficult to estimate reliably the final costs of investigation and remediation due to various factors. In our opinion, the amounts accrued are appropriate based on facts and circumstances as currently known. As of March 31, 2018, our recorded reserves for environmental matters were not material. We do not anticipate our remaining environmental conditions will have a material adverse effect on our financial position, results of operations or cash flows. However, unknown conditions, new details about existing conditions or changes in environmental requirements may give rise to environmental liabilities that will exceed the amount of our current reserves and could have a material adverse effect in the future.

Product liability claims

We are subject to various product liability lawsuits and personal injury claims. A substantial number of these lawsuits and claims are insured and accrued for by Penwald, our captive insurance subsidiary. Penwald records a liability for these claims based on actuarial projections of ultimate losses. For all other claims, accruals covering the claims are recorded, on an undiscounted basis, when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on existing information. The accruals are adjusted periodically as additional information becomes available. We have not experienced significant unfavorable trends in either the severity or frequency of product liability lawsuits or personal injury claims.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in ITEM 1A. of our 2017 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information with respect to purchases we made of our ordinary shares during the first quarter of 2018:

Period	(a) Total number of shares purchased	(b) Average price paid per share	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Dollar value of shares that may yet be purchased under the plans or programs
January 1 - January 27	35,750	\$ 71.37	—	\$ 600,000,119
January 28 - February 24	2,173,998	\$ 69.04	2,172,132	\$ 450,000,172
February 25 - March 31	32,488	\$ 67.20	—	\$ 450,000,172
Total	2,242,236		2,172,132	

- (a) The purchases in this column include 35,750 shares for the period January 1 - January 27, 1,866 shares for the period January 28 - February 24 and 32,488 shares for the period February 25 - March 31 deemed surrendered to us by participants in our 2012 Stock and Incentive Plan (the "2012 Plan") and earlier stock incentive plans that are now outstanding under the 2012 Plan (collectively "the Plans") to satisfy the exercise price or withholding of tax obligations related to the exercise of stock options and vesting of restricted and performance shares.
- (b) The average price paid in this column includes shares deemed surrendered to us by participants in the Plans to satisfy the exercise price for the exercise price of stock options and withholding tax obligations due upon stock option exercises and vesting of restricted and performance shares.
- (c) The number of shares in this column represents the number of shares repurchased as part of our publicly announced plans to repurchase our ordinary shares up to a maximum dollar limit of \$1.0 billion.
- (d) In December 2014, our Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of \$1.0 billion. This authorization expires on December 31, 2019. We have \$450.0 million remaining availability for repurchases under the 2014 authorization.

ITEM 6. EXHIBITS

The exhibits listed in the following Exhibit Index are filed as part of this Quarterly Report on Form 10-Q.

Exhibit Index to Form 10-Q for the Period Ended March 31, 2018

- [4.1](#) Indenture, dated as of March 26, 2018, among nVent Finance S.à r.l, nVent Electric plc, Pentair plc, Pentair Investments Switzerland GmbH and U.S. Bank National Association (Incorporated by reference to Exhibit 4.1 in the Current Report on Form 8-K of Pentair plc filed with the Commission on March 26, 2018 (File No. 001-11625)).
- [4.2](#) First Supplemental Indenture, dated as of March 26, 2018, among nVent Finance S.à r.l, nVent Electric plc, Pentair plc, Pentair Investments Switzerland GmbH and U.S. Bank National Association (Incorporated by reference to Exhibit 4.2 in the Current Report on Form 8-K of Pentair plc filed with the Commission on March 26, 2018 (File No. 001-11625)).
- [4.3](#) Second Supplemental Indenture, dated as of March 26, 2018, among nVent Finance S.à r.l., nVent Electric plc, Pentair plc, Pentair Investments Switzerland GmbH and U.S. Bank National Association (Incorporated by reference to Exhibit 4.3 in the Current Report on Form 8-K of Pentair plc filed with the Commission on March 26, 2018 (File No. 001-11625)).
- [4.4](#) Credit Agreement, dated March 23, 2018, among nVent Electric plc, nVent Finance S.à r.l., Pentair Technical Products Holdings, Inc. and the lenders and agents party thereto (Incorporated by reference to Exhibit 4.4 in the Current Report on Form 8-K of Pentair plc filed with the Commission on March 26, 2018 (File No. 001-11625)).
- [10.1](#) Retirement Agreement, dated as of March 14, 2018, between Pentair plc and Randall J. Hogan (Incorporated by reference to Exhibit 10.1 in the Current Report on Form 8-K of Pentair plc filed with the Commission on March 15, 2018 (File No. 001-11625)).
- [10.2](#) Form of Executive Officer Key Talent Award Agreement.
- [10.3](#) Form of Executive Officer Restricted Stock Unit Award Agreement for grants made on or after February 26, 2018.
- [10.4](#) Form of Executive Officer Stock Option Award Agreement for grants made on or after February 26, 2018.
- [10.5](#) Form of Executive Officer Performance Stock Unit Award Agreement for grants made on or after February 26, 2018.
- [10.6](#) Confidential Transition Agreement, dated as of March 15, 2018, between Angela D. Jilek and Pentair Management Company.
- [31.1](#) Certification of Chief Executive Officer.
- [31.2](#) Certification of Chief Financial Officer.
- [32.1](#) Certification of Chief Executive Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- [32.2](#) Certification of Chief Financial Officer, Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 101** The following materials from Pentair plc's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 are filed herewith, formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations and Comprehensive Income for the three months ended March 31, 2018 and 2017, (ii) the Condensed Consolidated Balance Sheets as of March 31, 2018 and December 31, 2017, (iii) the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2018 and 2017, (iv) the Condensed Consolidated Statements of Changes in Equity for the three months ended March 31, 2018 and 2018, and (v) Notes to Condensed Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on April 20, 2018.

Pentair plc

Registrant

By /s/ John L. Stauch

John L. Stauch

Executive Vice President and Chief Financial Officer

By /s/ Mark C. Borin

Mark C. Borin

Senior Vice President, Chief Accounting Officer and
Treasurer

PENTAIR 2012 STOCK AND INCENTIVE PLAN
KEY TALENT AWARD AGREEMENT

Pursuant to the notice of grant (the “Grant Notice”) and this Key Talent Award Agreement, including any country-specific terms in the applicable addendum hereto (the “Addendum”) (together, this “Award Agreement”), Pentair plc (the “Company”) has awarded you with a Key Talent Grant in the form of Restricted Stock Units (“RSUs”) with respect to the number of ordinary shares of the Company (“Shares”) specified in the Grant Notice. Capitalized terms not defined in this Award Agreement but defined in the Pentair plc 2012 Stock and Incentive Plan, as may be amended or restated from time to time (the “Plan”) shall have the same definitions as in the Plan. Unless you decline this Award Agreement within 90 days, you agree to be bound by all of the provisions contained in this Award Agreement and the Plan.

1. Confidential Nature of Award. By accepting this Key Talent Grant, you acknowledge and agree that the terms, amount, and existence of this award be strictly confidential. You further agree that if you disclose any information regarding this award to anyone, you will forfeit any unvested portion of this award and you will be required to restore to the Company any amount realized under this Award Agreement.

2. Vesting. Except as otherwise provided in the Plan or this Award Agreement, the RSUs will vest as provided in the Grant Notice.

3. Settlement of RSUs. The Company shall deliver to you a whole number of Shares equal to the number of RSUs (if any) that vest pursuant to this Award Agreement, subject to withholding of any Tax-Related Items (as defined in Section 7 below). Such delivery shall take place as soon as administratively practicable following the vesting date, but in no event more than 30 days after the applicable vesting date.

Notwithstanding the foregoing, if you are resident or provide services outside of the United States, the Company, in its sole discretion, may provide for the settlement of the RSUs in the form of:

(a) a cash payment in an amount equal to the Fair Market Value of the Shares as of the vesting date that correspond to the number of vested RSUs to the extent that settlement in Shares (i) is prohibited under local law, (ii) would require you, the Company or any of its Affiliates to obtain the approval of any governmental or regulatory body in your country of residence (or country of employment, if different), (iii) would result in adverse tax consequences for you, the Company or any of its Affiliates or (iv) is administratively burdensome; or

(b) Shares, but require you to sell such Shares immediately or within a specified period following your termination of service (in which case, you hereby agree that the Company shall have the authority to issue sale instructions in relation to such Shares on your behalf).

4. No Fractional Shares. Only whole Shares will be issuable pursuant to the RSUs; any fractional Share otherwise issuable under the RSUs will be rounded up to the nearest whole Share.

5. Effect of Termination of Service. Unless otherwise provided in the Grant Notice or the Plan, in the event of termination of your service with the Company or any of its Affiliates for any reason (whether voluntarily or involuntarily), all your unvested RSUs will be cancelled and forfeited, subject to the following exceptions:

(a) In the event of a Covered Termination (as defined in the Plan), your RSUs will become 100% vested at the time of termination.

(b) If your employment with the Company or any of its Affiliates terminates due to death or Disability (as defined in the Plan), then a pro-rata portion of your award will vest at the time of your termination.

For purposes of the RSUs, your service will be considered terminated as of the date you cease active service with the Company or any of its Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you provide services or the terms of your employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement or determined by the Company in its sole discretion, your right to vest in the RSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you provide services or the terms of your employment or service agreement, if any). The Company shall have the exclusive discretion to determine when you have ceased active service for purposes of your RSU grant (including whether you may still be considered to be providing services while on a leave of absence).

6. Dividend Equivalent Units. With respect to record dates occurring from and after the Date of Grant until the date that the RSUs are settled, you will be entitled to a cash payment equal to any cash dividend or cash distribution that would have been paid on the RSUs had the RSUs been issued and outstanding Shares on the record date for such dividend or distribution. Dividend Equivalent Units are not eligible for dividend reinvestment during the vesting period.

(a) If you are a United States taxpayer, payment of the Dividend Equivalent Units will be made to you in cash as soon as practicable after the dividend payment date set forth by the Company’s Board of Directors.

(b) If you are not a United States taxpayer, Dividend Equivalent Units will accrue on your unvested RSUs over the vesting period, and you will be paid in cash at the same time the related RSUs vest. If you forfeit your unvested RSUs, then the related accrued Dividend Equivalent Units will also be forfeited.

7. Tax Withholding. You acknowledge that, regardless of any action taken by the Company or, if different, the Affiliate that employs you (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company or the Employer in their discretion to be an appropriate charge to you even if legally applicable to the Company or the Employer (“Tax-Related Items”), is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. You further acknowledge that the Company and/or the Employer (a) make no

representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the date of grant and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; (ii) withholding from the proceeds of the sale of Shares acquired upon vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); (iii) withholding from the Shares to be delivered upon settlement of the RSUs that number of Shares having a Fair Market Value equal to the amount required by law to be withheld; or (iv) permitting you to tender back to the Company a number of Shares delivered upon settlement of the RSUs or Shares previously owned by you having a Fair Market Value equal to the amount required by law to be withheld. For purposes of the foregoing, no fractional Share will be withheld or issued pursuant to the grant of the RSUs and the issuance of Shares hereunder. Notwithstanding the foregoing, if you are a Section 16 Participant, your withholding obligations shall be satisfied as described in clause (iii) above, unless the Committee approves another form of payment for such Tax-Related Items.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates (as determined by the Company in good faith and in its sole discretion) or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount from the relevant taxing authority in cash and will have no entitlement to the share equivalent. If the obligation for Tax-Related Items is satisfied by withholding from the Shares to be delivered upon vesting of the RSUs, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items.

You agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver Shares or proceeds from the sale of Shares until arrangements satisfactory to the Administrator have been made in connection with the Tax-Related Items. You will have no further rights with respect to any Shares that are retained by the Company pursuant to this provision.

8. **Recoupment.** The RSUs (and any compensation paid or Shares issued under the RSUs) are subject to recoupment in accordance with the Dodd-Frank Wall Street Reform and

Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy or practice otherwise required by applicable law. The Company shall have the right to offset against any other amounts due from the Company to you the amount owed by you hereunder.

9. Confidentiality, Non-Competition, Non-Solicitation and Non-Disparagement. As a condition to the receipt of the RSUs, you expressly agree to the terms and conditions in the Confidentiality, Non-Competition, Non-Solicitation and Non-Disparagement Agreement attached hereto as Exhibit A. In addition to any remedies available to the Company under Section 5 of Exhibit A, any violation of the terms and conditions of Exhibit A will result in a rescission of the RSUs made under this Award Agreement and a forfeiture of rights you have with respect thereto.

10. Securities Law Compliance. The grant of the RSUs and the issuance of Shares are subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or securities exchange as may be required. Notwithstanding any provision of this Award Agreement or the Plan, the Company has no liability to deliver any Shares under the Plan or make any payment unless such delivery or payment would comply with all laws and the applicable requirements of any governmental agency, securities exchange or similar entity, and unless and until you have taken all actions required by the Company in connection with the RSUs. The Company may impose such restrictions on any Shares issued under the Plan as the Company determines necessary or desirable to comply with all applicable laws, rules and regulations or requirements.

11. Transferability. The RSUs shall not be transferable in any manner (including without limitation, sale, alienation, anticipation, pledge, encumbrance, or assignment) other than transfer by will or by the laws of descent and distribution, unless otherwise determined by the Committee in accordance with the terms of the Plan. All rights with respect to the RSUs shall be exercisable during your lifetime only by you or your guardian or legal representative or permitted transferee.

12. Shareholder Rights. You shall not have any voting rights or any other rights and privileges of a shareholder of the Company unless and until Shares (if any) are issued upon settlement of the RSUs. Prior to actual payment of any RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

13. Insider Trading and/or Market Abuse. By participating in the Plan, you agree to comply with the Company's policy on insider trading (to the extent that it is applicable to you). You further acknowledge that, depending on your or your broker's country of residence or where the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws which may affect your ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares, during such times you are considered to have "inside information" regarding the Company as defined by the laws or regulations in your country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you place before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. You understand that third parties include fellow employees. Any restriction under

these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and that you should therefore consult your personal advisor on this matter.

14. Code Section 409A. For U.S. taxpayers, it is the intent that the RSUs as set forth in this Award Agreement shall qualify for exemption from or comply with the requirements of Section 409A of the Code, and any ambiguities herein will be interpreted to so qualify or comply. Notwithstanding the foregoing, if it is determined that the RSUs fail to satisfy the requirements of the short-term deferral period exemption and are otherwise deferred compensation subject to Section 409A of the Code, and if you are a “specified employee” as of the date of your “separation from service” (as those terms are defined in the Plan or Section 409A of the Code), then the issuance of any Shares that would otherwise be made upon the date of your separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of your separation from service, but only if such delay in the issuance of the Shares is necessary to avoid the imposition of additional taxation on you in respect of the Shares under Section 409A of the Code. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Award Agreement as may be necessary to ensure that all payments provided for under this Award Agreement are made in a manner that qualifies for exemption from or complies with Section 409A of the Code; provided, however, that the Company makes no representation that the grant, vesting, or settlement of RSUs provided for under this Award Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the grant, vesting or settlement of RSUs provided for under this Award Agreement. The Company will have no liability to you or any other party if the RSUs, the delivery of Shares upon settlement of the RSUs or other payment hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Company with respect thereto.

15. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. You also agree that all online acknowledgements shall have the same force and effect as a written signature.

16. Nature of Grant. In accepting the RSUs, you acknowledge and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company, in its sole discretion, at any time (subject to any limitations set forth in the Plan);

(b) the grant of RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs or other awards have been granted in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan is voluntary;

(e) the RSUs and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any of its Affiliates and shall not interfere with the ability of the Company, any of its Affiliates or the Employer, as applicable, to terminate your employment or service relationship (as otherwise may be permitted under local law);

(f) the RSUs and the Shares, and the income and value of the same, subject to the RSUs are not intended to replace any pension rights or compensation;

(g) the RSUs and any Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Affiliate;

(h) the future value of the underlying Shares is unknown, indeterminable, and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of your service (for any reason whatsoever and whether or not in breach of local labor laws or later found invalid), and in consideration of the grant of the RSUs to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, any of its Affiliates, or the Employer, waive your ability, if any, to bring any such claim, and release the Company, its Affiliates and the Employer, from any such claim;

(j) the RSUs and the benefits evidenced by this Award Agreement do not create any entitlement not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the RSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) if you are employed or providing services outside of the United States, neither the Company nor any of its Affiliates shall be liable for any foreign exchange rate fluctuation between your local currency and the U.S. dollar that may affect the value of the RSUs or any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement of the RSUs.

17. Data Privacy. *You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement, the Grant Notice and any other RSU grant materials by and among, as necessary and applicable, the Company or any of its Affiliates, for the exclusive purpose of implementing, administering and managing your participation in the Plan. If there is a conflict between this Section 17 and the Company's existing policies and/or data protection charters, the terms of this Section 17 will prevail with respect to issues related to the RSUs and the Plan.*

You understand that the Company and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any Shares or directorships held in the Company, and details of the RSUs or any other entitlement to Shares, canceled, exercised, vested, unvested or outstanding in your favor (“Data”), for the purpose of implementing, administering and managing the Plan.

You understand that Data will be transferred to Fidelity Stock Plan Services or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients’ country (e.g., the United States) may have different data privacy laws and protections than your country. If you are employed outside the United States, you understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, Fidelity Stock Plan Services and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. If you are employed outside the United States, you understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your service status and career will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you RSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan.

For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Finally, upon request of the Company or the Employer, you agree to provide an executed data privacy consent form to the Company and/or the Employer (or any other agreements or consents that may be required by the Company and/or the Employer) that the Company and/or the Employer may deem necessary to obtain from you for the purpose of administering your participation in the Plan in compliance with the data privacy laws in your country, either now or in the future. You understand and agree that you will not be able to participate in the Plan if you fail to provide any such consent or agreement requested by the Company and/or the Employer.

18. Not a Public Offering. If you are a resident outside of the United States, the grant of the RSUs is not intended to be a public offering of securities in your country of residence (or country of service, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the RSUs is not subject to the supervision of the local securities authorities.

19. Language. If you are resident in a country where English is not an official language, you acknowledge and agree that it is your express intent that this Award Agreement and the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSUs be drawn up in English. If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

20. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

21. Repatriation; Compliance with Law. If you are resident or provide services outside the United States, you agree to repatriate all payments attributable to Shares and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in your country of residence (and country of service, if different). In addition, you agree to take any and all actions, and consent to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and/or regulations in your country of residence (and country of service, if different). Finally, you agree to take any and all actions as may be required to comply with your personal obligations under local laws, rules and/or regulations in your country of residence and country of service, if different).

22. Addendum. Notwithstanding any provisions in this Award Agreement, the RSUs shall be subject to any special terms and conditions set forth in the Addendum to this Award Agreement, as set forth in Exhibit B. Moreover, if you transfer to one of the countries included in such Addendum, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable to comply with local law or facilitate the administration of the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). The Addendum constitutes part of this Award Agreement.

23. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

24. Notices. Any notices provided for in the Grant Notice, this Award Agreement or the Plan shall be given in writing (including electronically) and shall be deemed effectively given upon receipt or, in the case of notices delivered via post by the Company to you, five (5) days after deposit in the mail, postage prepaid, addressed to you at the last address you provided to the Company.

25. Governing Plan Document. The RSUs are subject to the Grant Notice, this Award Agreement and all the provisions of the Plan, the provisions of which are hereby made a part of this Award Agreement, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In

the event of any conflict between the provisions of the Grant Notice, this Award Agreement and those of the Plan, the provisions of the Plan shall control. By accepting the RSUs, you confirm that you have read and understood the Award Agreement, the Plan, the Plan prospectus and related information provided to you and that you accept the terms of those documents accordingly.

26. Administrator Authority. You expressly understand that the Administrator is authorized to administer, construe, and make all determinations necessary or appropriate for the administration of the Award Agreement and the Plan, and that any interpretation or determination made by the Administrator under the Award Agreement or the Plan, will be final, binding and conclusive.

27. Governing Law and Venue. The RSUs and the provisions of this Award Agreement are governed by, and subject to, the laws of the state of Minnesota, U.S.A. without regard to the conflict of law provisions. For purposes of any action, lawsuit or other proceedings brought to enforce this Award Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the United States District Court for the District of Minnesota or any of the courts of the state of Minnesota, U.S.A..

28. Severability. If any provision of this Award Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Award Agreement shall be deemed valid and enforceable to the full extent possible.

29. Waiver. The waiver by the Company with respect to your (or any other Participant's) compliance of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by such party of a provision of this Award Agreement.

* * * *

EXHIBIT A

PENTAIR PLC CONFIDENTIALITY, NON-COMPETITION, NON-SOLICITATION AND NON-DISPARAGEMENT AGREEMENT

As a result of your intimate familiarity with proprietary and confidential information of the Company, the Award Agreement is subject to the restrictions set forth below. Any violation of these provisions will result in a rescission of the RSUs made under the Award Agreement and a forfeiture of any rights you have with respect thereto, as well as the remedies that are described in Section 5 hereof.

1. Confidentiality. You agree that you will treat during employment and thereafter, as private and privileged, any information, data, figures, projections, estimates, marketing plans, customer lists, lists of contract workers, tax records, personnel records, accounting procedures, formulas, contracts, business partners, alliances, ventures and all other confidential information you acquire while working for the Company or any of its Affiliates. You agree that you will not release any such information to any person, firm, corporation or other entity at any time, except as may be required by law, or as agreed to in writing by the Company. You acknowledge that any violation of this non-disclosure provision shall entitle the Company to appropriate injunctive relief and to any damages which it may sustain due to the improper disclosure. However, you shall not be held in breach of this provision if you disclose confidential information to a federal, state or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law.

2. Non-Solicitation. You agree that, for a 12-month period (24-month period, if you are a Section 16 Participant at the time of your termination) following your termination (voluntary or involuntary) from the Company or any of its Affiliates, you will not, for yourself or any third party, directly or indirectly, (i) solicit or accept competitive business from any customer of the Company or its Affiliates, or (ii) solicit any employee of the Company or its Affiliates for the purpose of hiring such person or otherwise entice, induce or encourage, directly or indirectly, any such employee to leave their employment.

You agree that engaging in any of the following activities will be a violation of the above paragraph: (1) soliciting for a hire or soliciting for retainer as an independent consultant or as contingent worker any employee of the Company or its Affiliates; (2) participating in the recruitment of any employee of the Company or its Affiliates; (3) serving as a reference for an employee of the Company or its Affiliates; (4) offering an opinion regarding the candidacy as a potential employee, independent consultant or contingent worker of an individual employed by the Company or its Affiliates; (5) assisting or encouraging any third party to pursue an employee of the Company or its Affiliates for potential employment, independent consulting or contingent worker opportunities; or (6) assisting or encouraging any employee of the Company or its Affiliates to leave their current position in order to be an employee, independent consultant or contingent worker for a third party.

3. Non-Competition. You agree that, for a 12-month period (24-month period, if you are a Section 16 Participant at the time of your termination) month period following your termination (voluntary or involuntary) from the Company or its Affiliates, you will not, for yourself or for any third party, directly or indirectly, in whole or in part, provide services, whether as an employee, employer, owner, operator, manager, advisor, consultant, agent,

partner, director, stockholder, officer, volunteer, intern, or any other similar capacity, to any entity anywhere in the world engaged in a business that is competitive with the Company or its Affiliates. Notwithstanding the prior sentence, you are not prohibited from providing services to a competing entity if: (i) the duties and services provided by you to the competitor are not, in whole or in part, substantially similar to the duties and services you provided to the Company or its Affiliates; and (ii) the duties and services provided by you to the competitor are not reasonably likely to cause you to reveal trade secrets, know-how, customer lists, customer contracts, customer needs, business strategies, marketing strategies, product development, proprietary information and confidential information concerning the business of the Company or its Affiliates. Nothing in this Award Agreement prohibits you from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that your ownership represents a passive investment and that you are not a controlling person of, or a member of a group that controls, the corporation.

4. Non-Disparagement. You agree that you will not make disparaging remarks of any sort or otherwise communicate any disparaging comments to any other person or entity, about the Company and any of its divisions, subsidiaries, predecessors and successors, and any affiliated entities and persons, and all of their respective past and present employees, agents, insurers, officials, officers and directors. However, you shall not be held in breach of this provision if you disclose confidential information to a federal, state or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law.

5. Effect of Breach. By accepting the RSUs, you agree that in light of the award conferred to you under this Award Agreement, the narrow and restrictive covenants imposed above are reasonable and will not result in any hardship to you. Further, you acknowledge and agree that a breach of any obligation under this Award Agreement will result in irreparable injury to the Company and that such harm may not be compensable entirely with monetary damages. The Company reserves all rights to seek any and all remedies and damages permitted under law, including, but not limited to, injunctive relief, equitable relief and compensatory damages. In connection with any suit at law or in equity under this Award Agreement, the Company shall be entitled to an accounting, and to the repayment of all profits, compensation, commissions, fees, or other remuneration which you or any other entity or person has either directly or indirectly realized on its behalf or on behalf of another and/or may realize, as a result of, growing out of, or in connection with the violation which is the subject of the suit. Further, in the event of your breach of the above sections, you shall disgorge the value of all payments and benefits conferred to you by virtue of this Award Agreement, including, but not limited to, the cash or Shares awarded. In addition to the foregoing, the Company shall be entitled to collect from you any reasonable attorney's fees and costs occurred in bringing any action against you or otherwise to enforce the terms of this Award Agreement.

EXHIBIT B

[ADDENDUM TO RESTRICTED STOCK UNIT AWARD AGREEMENT]

[COUNTRY-SPECIFIC TERMS AND CONDITIONS]

**PENTAIR 2012 STOCK AND INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

Pursuant to the notice of grant (the “Grant Notice”) and this Restricted Stock Unit Award Agreement, including any country-specific terms in the applicable addendum hereto (the “Addendum”) (together, this “Award Agreement”), Pentair plc (the “Company”) has granted to you Restricted Stock Units (“RSUs”) with respect to the number of ordinary shares of the Company (“Shares”) specified in the Grant Notice. Capitalized terms not defined in this Award Agreement but defined in the Pentair plc 2012 Stock and Incentive Plan, as may be amended or restated from time to time (the “Plan”) shall have the same definitions as in the Plan. Unless you decline this Award Agreement within 90 days, you agree to be bound by all of the provisions contained in this Award Agreement and the Plan.

1. Vesting. Except as otherwise provided in the Plan or this Award Agreement, the RSUs will vest as provided in the Grant Notice.

2. Settlement of RSUs. The Company shall deliver to you a whole number of Shares equal to the number of RSUs (if any) that vest pursuant to this Award Agreement, subject to withholding of any Tax-Related Items (as defined in Section 6 below). Such delivery shall take place as soon as administratively practicable following the vesting date, but in no event more than 30 days after the applicable vesting date.

Notwithstanding the foregoing, if you are resident or provide services outside of the United States, the Company, in its sole discretion, may provide for the settlement of the RSUs in the form of:

(a) a cash payment in an amount equal to the Fair Market Value of the Shares as of the vesting date that correspond to the number of vested RSUs, to the extent that settlement in Shares (i) is prohibited under local law, (ii) would require you, the Company or any of its Affiliates to obtain the approval of any governmental or regulatory body in your country of residence (or country of employment, if different), (iii) would result in adverse tax consequences for you, the Company or any of its Affiliates or (iv) is administratively burdensome; or

(b) Shares, but require you to sell such Shares immediately or within a specified period following your termination of service (in which case, you hereby agree that the Company shall have the authority to issue sale instructions in relation to such Shares on your behalf).

3. No Fractional Shares. Only whole Shares will be issuable pursuant to the RSUs; any fractional Share otherwise issuable under the RSUs will be rounded up to the nearest whole Share.

4. Effect of Termination of Service. Unless otherwise provided in the Grant Notice or the Plan, in the event of termination of your service with the Company or any of its Affiliates for any reason (whether voluntarily or involuntarily), all your unvested RSUs will be cancelled and forfeited. Exceptions are made for termination of service due to death, Retirement, Disability or a Covered Termination, in accordance with the terms of the Plan.

For purposes of the RSUs, your service will be considered terminated as of the date you cease active service with the Company or any of its Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you provide services or the terms of your employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement or determined by the Company in its sole discretion, your right to vest in the RSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you provide services or the terms of your employment or service agreement, if any). The Company shall have the exclusive discretion to determine when you have ceased active service for purposes of your RSU grant (including whether you may still be considered to be providing services while on a leave of absence).

5. Dividend Equivalent Units. With respect to record dates occurring from and after the Date of Grant until the date that the RSUs are settled, you will be entitled to a cash payment equal to any cash dividend or cash distribution that would have been paid on the RSUs had the RSUs been issued and outstanding Shares on the record date for such dividend or distribution. Dividend Equivalent Units are not eligible for dividend reinvestment during the vesting period.

(a) If you are a United States taxpayer, payment of the Dividend Equivalent Units will be made to you in cash as soon as practicable after the dividend payment date set forth by the Company’s Board of Directors.

(b) If you are not a United States taxpayer, Dividend Equivalent Units will accrue on your unvested RSUs over the vesting period, and you will be paid in cash at the same time the related RSUs vest. If you forfeit your unvested RSUs, then the related accrued Dividend Equivalent Units will also be forfeited.

6. Tax Withholding. You acknowledge that, regardless of any action taken by the Company or, if different, the Affiliate that employs you (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company or the Employer in their discretion to be an appropriate charge to you even if legally applicable to the Company or the Employer (“Tax-Related Items”), is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. You further acknowledge that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the date of grant and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; (ii) withholding from the proceeds of the sale of Shares acquired upon vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); (iii) withholding from the Shares to be delivered upon settlement of the RSUs that number of Shares having a Fair Market Value equal to the amount required by law to be withheld; or (iv) permitting you to tender back to the Company a number of Shares delivered upon settlement of the RSUs or Shares previously owned by you having a Fair Market Value equal to the amount required by law to be withheld. For purposes of the foregoing, no fractional Share will be withheld or issued pursuant to the grant of the RSUs and the issuance of Shares hereunder. Notwithstanding the foregoing, if you are a Section 16 Participant, your withholding obligations shall be satisfied as described in clause (iii) above, unless the Committee approves another form of payment for such Tax-Related Items.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates (as determined by the Company in good faith and in its sole discretion) or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount from the relevant taxing authority in cash and will have no entitlement to the share equivalent. If the obligation for Tax-Related Items is satisfied by withholding from the Shares to be delivered upon vesting of the RSUs, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items.

You agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver Shares or proceeds from the sale of Shares until arrangements satisfactory to the Administrator have been made in connection with the Tax-Related Items. You will have no further rights with respect to any Shares that are retained by the Company pursuant to this provision.

7. Recoupment. The RSUs (and any compensation paid or Shares issued under the RSUs) are subject to recoupment in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy or practice otherwise required by applicable law. The Company shall have the right to offset against any other amounts due from the Company to you the amount owed by you hereunder.

8. Confidentiality, Non-Competition, Non-Solicitation and Non-Disparagement. As a condition to the receipt of the RSUs, you expressly agree to the terms and conditions in the Confidentiality, Non-Competition, Non-Solicitation and Non-Disparagement Agreement attached hereto as Exhibit A. In addition to any remedies available to the Company under Section 5 of Exhibit A, any violation of the terms and conditions of Exhibit A will result in a

rescission of the RSUs made under this Award Agreement and a forfeiture of rights you have with respect thereto.

9. Securities Law Compliance. The grant of the RSUs and the issuance of Shares are subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or securities exchange as may be required. Notwithstanding any provision of this Award Agreement or the Plan, the Company has no liability to deliver any Shares under the Plan or make any payment unless such delivery or payment would comply with all laws and the applicable requirements of any governmental agency, securities exchange or similar entity, and unless and until you have taken all actions required by the Company in connection with the RSUs. The Company may impose such restrictions on any Shares issued under the Plan as the Company determines necessary or desirable to comply with all applicable laws, rules and regulations or requirements.

10. Transferability. The RSUs shall not be transferable in any manner (including without limitation, sale, alienation, anticipation, pledge, encumbrance, or assignment) other than transfer by will or by the laws of descent and distribution, unless otherwise determined by the Committee in accordance with the terms of the Plan. All rights with respect to the RSUs shall be exercisable during your lifetime only by you or your guardian or legal representative or permitted transferee.

11. Shareholder Rights. You shall not have any voting rights or any other rights and privileges of a shareholder of the Company unless and until Shares (if any) are issued upon settlement of the RSUs. Prior to actual payment of any RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

12. Insider Trading and/or Market Abuse. By participating in the Plan, you agree to comply with the Company's policy on insider trading (to the extent that it is applicable to you). You further acknowledge that, depending on your or your broker's country of residence or where the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws which may affect your ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares, during such times you are considered to have "inside information" regarding the Company as defined by the laws or regulations in your country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you place before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. You understand that third parties include fellow employees. Any restriction under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and that you should therefore consult your personal advisor on this matter.

13. Code Section 409A. For U.S. taxpayers, it is the intent that the RSUs as set forth in this Award Agreement shall qualify for exemption from or comply with the requirements of Section 409A of the Code, and any ambiguities herein will be interpreted to so qualify or comply. Notwithstanding the foregoing, if it is determined that the RSUs fail to satisfy the requirements of the short-term deferral period exemption and are otherwise deferred compensation

subject to Section 409A of the Code, and if you are a “specified employee” as of the date of your “separation from service” (as those terms are defined in the Plan or Section 409A of the Code), then the issuance of any Shares that would otherwise be made upon the date of your separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of your separation from service, but only if such delay in the issuance of the Shares is necessary to avoid the imposition of additional taxation on you in respect of the Shares under Section 409A of the Code. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Award Agreement as may be necessary to ensure that all payments provided for under this Award Agreement are made in a manner that qualifies for exemption from or complies with Section 409A of the Code; provided, however, that the Company makes no representation that the grant, vesting, or settlement of RSUs provided for under this Award Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the grant, vesting or settlement of RSUs provided for under this Award Agreement. The Company will have no liability to you or any other party if the RSUs, the delivery of Shares upon settlement of the RSUs or other payment hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Company with respect thereto.

14. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. You also agree that all online acknowledgements shall have the same force and effect as a written signature.

15. Nature of Grant. In accepting the RSUs, you acknowledge and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company, in its sole discretion, at any time (subject to any limitations set forth in the Plan);

(b) the grant of RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs or other awards have been granted in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan is voluntary;

(e) the RSUs and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any of its Affiliates and shall not interfere with the ability of the Company, any of its Affiliates or the Employer, as applicable, to terminate your employment or service relationship (as otherwise may be permitted under local law);

(f) the RSUs and the Shares, and the income and value of the same, subject to the RSUs are not intended to replace any pension rights or compensation;

(g) the RSUs and any Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Affiliate;

(h) the future value of the underlying Shares is unknown, indeterminable, and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of your service (for any reason whatsoever and whether or not in breach of local labor laws or later found invalid), and in consideration of the grant of the RSUs to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, any of its Affiliates, or the Employer, waive your ability, if any, to bring any such claim, and release the Company, its Affiliates and the Employer, from any such claim;

(j) the RSUs and the benefits evidenced by this Award Agreement do not create any entitlement not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the RSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) if you are employed or providing services outside of the United States, neither the Company nor any of its Affiliates shall be liable for any foreign exchange rate fluctuation between your local currency and the U.S. dollar that may affect the value of the RSUs or any amounts due to you pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement of the RSUs.

16. *Data Privacy. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement, the Grant Notice and any other RSU grant materials by and among, as necessary and applicable, the Company or any of its Affiliates, for the exclusive purpose of implementing, administering and managing your participation in the Plan. If there is a conflict between this Section 16 and the Company's existing policies and/or data protection charters, the terms of this Section 16 will prevail with respect to issues related to the RSUs and the Plan.*

You understand that the Company and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any Shares or directorships held in the Company, and details of the RSUs or any other entitlement to Shares, canceled, exercised, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.

You understand that Data will be transferred to Fidelity Stock Plan Services or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan.

You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. If you are employed outside the United States, you understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, Fidelity Stock Plan Services and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. If you are employed outside the United States, you understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your service status and career will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you RSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan.

For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Finally, upon request of the Company or the Employer, you agree to provide an executed data privacy consent form to the Company and/or the Employer (or any other agreements or consents that may be required by the Company and/or the Employer) that the Company and/or the Employer may deem necessary to obtain from you for the purpose of administering your participation in the Plan in compliance with the data privacy laws in your country, either now or in the future. You understand and agree that you will not be able to participate in the Plan if you fail to provide any such consent or agreement requested by the Company and/or the Employer.

17. Not a Public Offering. If you are a resident outside of the United States, the grant of the RSUs is not intended to be a public offering of securities in your country of residence (or country of service, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the RSUs is not subject to the supervision of the local securities authorities.

18. Language. If you are resident in a country where English is not an official language, you acknowledge and agree that it is your express intent that this Award Agreement and the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSUs be drawn up in English. If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

19. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to

consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

20. Repatriation; Compliance with Law. If you are resident or provide services outside the United States, you agree to repatriate all payments attributable to Shares and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in your country of residence (and country of service, if different). In addition, you agree to take any and all actions, and consent to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and/or regulations in your country of residence (and country of service, if different). Finally, you agree to take any and all actions as may be required to comply with your personal obligations under local laws, rules and/or regulations in your country of residence and country of service, if different).

21. Addendum. Notwithstanding any provisions in this Award Agreement, the RSUs shall be subject to any special terms and conditions set forth in the Addendum to this Award Agreement, as set forth in Exhibit B. Moreover, if you transfer to one of the countries included in such Addendum, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable to comply with local law or facilitate the administration of the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). The Addendum constitutes part of this Award Agreement.

22. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the RSUs, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

23. Notices. Any notices provided for in the Grant Notice, this Award Agreement or the Plan shall be given in writing (including electronically) and shall be deemed effectively given upon receipt or, in the case of notices delivered via post by the Company to you, five (5) days after deposit in the mail, postage prepaid, addressed to you at the last address you provided to the Company.

24. Governing Plan Document. The RSUs are subject to the Grant Notice, this Award Agreement and all the provisions of the Plan, the provisions of which are hereby made a part of this Award Agreement, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of the Grant Notice, this Award Agreement and those of the Plan, the provisions of the Plan shall control. By accepting the RSUs, you confirm that you have read and understood the Award Agreement, the Plan, the Plan prospectus and related information provided to you and that you accept the terms of those documents accordingly.

25. Administrator Authority. You expressly understand that the Administrator is authorized to administer, construe, and make all determinations necessary or appropriate for the administration of the Award Agreement and the Plan, and that any interpretation or

determination made by the Administrator under the Award Agreement or the Plan, will be final, binding and conclusive.

26. Governing Law and Venue. The RSUs and the provisions of this Award Agreement are governed by, and subject to, the laws of the state of Minnesota, U.S.A. without regard to the conflict of law provisions. For purposes of any action, lawsuit or other proceedings brought to enforce this Award Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the United States District Court for the District of Minnesota or any of the courts of the state of Minnesota, U.S.A..

27. Severability. If any provision of this Award Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Award Agreement shall be deemed valid and enforceable to the full extent possible.

28. Waiver. The waiver by the Company with respect to your (or any other Participant's) compliance of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by such party of a provision of this Award Agreement.

* * * *

EXHIBIT A

PENTAIR PLC CONFIDENTIALITY, NON-COMPETITION, NON-SOLICITATION AND NON-DISPARAGEMENT AGREEMENT

As a result of your intimate familiarity with proprietary and confidential information of the Company, the Award Agreement is subject to the restrictions set forth below. Any violation of these provisions will result in a rescission of the RSUs made under the Award Agreement and a forfeiture of any rights you have with respect thereto, as well as the remedies that are described in Section 5 hereof.

1. Confidentiality. You agree that you will treat during employment and thereafter, as private and privileged, any information, data, figures, projections, estimates, marketing plans, customer lists, lists of contract workers, tax records, personnel records, accounting procedures, formulas, contracts, business partners, alliances, ventures and all other confidential information you acquire while working for the Company or any of its Affiliates. You agree that you will not release any such information to any person, firm, corporation or other entity at any time, except as may be required by law, or as agreed to in writing by the Company. You acknowledge that any violation of this non-disclosure provision shall entitle the Company to appropriate injunctive relief and to any damages which it may sustain due to the improper disclosure. However, you shall not be held in breach of this provision if you disclose confidential information to a federal, state or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law.

2. Non-Solicitation. You agree that, for a 12 month period (24 month period, if you are a Section 16 Participant at the time of your termination) following your termination (voluntary or involuntary) from the Company or any of its Affiliates, you will not, for yourself or any third party, directly or indirectly, (i) solicit or accept competitive business from any customer of the Company or its Affiliates, or (ii) solicit any employee of the Company or its Affiliates for the purpose of hiring such person or otherwise entice, induce or encourage, directly or indirectly, any such employee to leave their employment.

You agree that engaging in any of the following activities will be a violation of the above paragraph: (1) soliciting for a hire or soliciting for retainer as an independent consultant or as contingent worker any employee of the Company or its Affiliates; (2) participating in the recruitment of any employee of the Company or its Affiliates; (3) serving as a reference for an employee of the Company or its Affiliates; (4) offering an opinion regarding the candidacy as a potential employee, independent consultant or contingent worker of an individual employed by the Company or its Affiliates; (5) assisting or encouraging any third party to pursue an employee of the Company or its Affiliates for potential employment, independent consulting or contingent worker opportunities; or (6) assisting or encouraging any employee of the Company or its Affiliates to leave their current position in order to be an employee, independent consultant or contingent worker for a third party.

3. Non-Competition. You agree that, for a 12 month period (24 month period, if you are a Section 16 Participant at the time of your termination) following your termination (voluntary or involuntary) from the Company or its Affiliates, you will not, for yourself or for any third party, directly or indirectly, in whole or in part, provide services, whether as an employee, employer, owner, operator, manager, advisor, consultant, agent, partner, director, stockholder,

officer, volunteer, intern, or any other similar capacity, to any entity anywhere in the world engaged in a business that is competitive with the Company or its Affiliates. Notwithstanding the prior sentence, you are not prohibited from providing services to a competing entity if: (i) the duties and services provided by you to the competitor are not, in whole or in part, substantially similar to the duties and services you provided to the Company or its Affiliates; and (ii) the duties and services provided by you to the competitor are not reasonably likely to cause you to reveal trade secrets, know-how, customer lists, customer contracts, customer needs, business strategies, marketing strategies, product development, proprietary information and confidential information concerning the business of the Company or its Affiliates. Nothing in this Award Agreement prohibits you from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that your ownership represents a passive investment and that you are not a controlling person of, or a member of a group that controls, the corporation.

4. Non-Disparagement. You agree that you will not make disparaging remarks of any sort or otherwise communicate any disparaging comments to any other person or entity, about the Company and any of its divisions, subsidiaries, predecessors and successors, and any affiliated entities and persons, and all of their respective past and present employees, agents, insurers, officials, officers and directors. However, you shall not be held in breach of this provision if you disclose confidential information to a federal, state or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law.

5. Effect of Breach. By accepting the RSUs, you agree that in light of the award conferred to you under this Award Agreement, the narrow and restrictive covenants imposed above are reasonable and will not result in any hardship to you. Further, you acknowledge and agree that a breach of any obligation under this Award Agreement will result in irreparable injury to the Company and that such harm may not be compensable entirely with monetary damages. The Company reserves all rights to seek any and all remedies and damages permitted under law, including, but not limited to, injunctive relief, equitable relief and compensatory damages. In connection with any suit at law or in equity under this Award Agreement, the Company shall be entitled to an accounting, and to the repayment of all profits, compensation, commissions, fees, or other remuneration which you or any other entity or person has either directly or indirectly realized on its behalf or on behalf of another and/or may realize, as a result of, growing out of, or in connection with the violation which is the subject of the suit. Further, in the event of your breach of the above sections, you shall disgorge the value of all payments and benefits conferred to you by virtue of this Award Agreement, including, but not limited to, the cash or Shares awarded. In addition to the foregoing, the Company shall be entitled to collect from you any reasonable attorney's fees and costs occurred in bringing any action against you or otherwise to enforce the terms of this Award Agreement.

EXHIBIT B

[ADDENDUM TO RESTRICTED STOCK UNIT AWARD AGREEMENT]

[COUNTRY-SPECIFIC TERMS AND CONDITIONS]

PENTAIR 2012 STOCK AND INCENTIVE PLAN
STOCK OPTION AWARD AGREEMENT

Pursuant to the notice of grant (the “Grant Notice”) and this Stock Option Award Agreement, including any country-specific terms in the applicable addendum hereto (the “Addendum”) (together, this “Award Agreement”), Pentair plc (the “Company”) has granted to you an option to purchase (the “Option”) the number of ordinary shares of the Company (“Shares”) indicated in the Grant Notice at the exercise price indicated in the Grant Notice. If the Option is designated as an Incentive Stock Option in the Grant Notice, additional terms are set forth in the Addendum for the United States. Capitalized terms not defined in this Award Agreement but defined in the Pentair plc 2012 Stock and Incentive Plan, as may be amended or restated from time to time (the “Plan”) shall have the same definitions as in the Plan. Unless you decline this Award Agreement within 90 days, you agree to be bound by all of the provisions contained in this Award Agreement and the Plan.

1. Vesting. Except as otherwise provided in the Plan or this Award Agreement, the Option will vest as provided in the Grant Notice.

2. Exercise of the Option.

2.1 *Method of Exercise.* You may exercise the vested portion of the Option (provided the Fair Market Value of the Shares exercised exceeds the exercise price) at any time prior to the expiration of the Option (as described in Section 4 below) by delivering a notice of exercise in such form as may be designated by the Company from time to time, or making the required electronic election with the Company’s designated broker, and paying the exercise price and any Tax-Related Items (as defined in Section 5 below) to the Company’s stock plan administrator or such other person as the Company may designate, together with such additional documents as the Company may then require pursuant to the terms of the Plan.

2.2 *Method of Payment.* Payment of the exercise price may be made by one of the methods available under the Company’s exercise procedures, which may include:

(a) Payment by cash or check.

(b) Payment by transfer to the Company of whole Shares you already own having a Fair Market Value determined at the time of exercise of the Option equal to, but not exceeding, the exercise price and any Tax-Related Items.

(c) A “same day sale” transaction pursuant to which a third party (engaged by you or the Company) loans funds to you to enable you to purchase Shares and pay any Tax-Related Items, and then sells a sufficient number of the exercised Shares on your behalf to enable you to repay the loan and any fees. The remaining Shares and/or cash are then delivered by the third party to you.

(d) A “net exercise” transaction, pursuant to which the Company delivers to you the net number of whole Shares remaining from the portion of the Option being exercised after deduction of a number of Shares with a Fair Market Value equal to the exercise price and any Tax-Related Items.

The Company may suspend, or eliminate, various forms of permissible payment of the exercise price from time to time in its sole discretion. Further, notwithstanding any provision within this Award Agreement to the contrary, if you are resident or provide services outside of the United States, the Administrator may require that you (or in the event of your death, your legal representative, as the case may be) exercise the Option in a method other than as specified above, may require you to exercise the Option only by means of a “same day sale” transaction (either a “sell-all” transaction or a “sell-to-cover” transaction) as it determines in its sole discretion, or may require you to sell any Shares you acquire under the Plan immediately or within a specified period following your termination of service from the Company or any of its Affiliates (in which case, you hereby agree that the Company shall have the authority to issue sale instructions in relation to such Shares on your behalf).

2.3 Responsibility for Exercise. You are responsible for taking any and all actions as may be required to exercise the Option in a timely manner and for properly executing any such documents as may be required for exercise in accordance with such rules and procedures as may be established from time to time. By accepting the Option you acknowledge that information regarding the procedures and requirements for the exercise of the Option is available to you on request. Neither the Company nor any Affiliate shall have any duty or obligation to notify you of the expiration date of the Option.

2.4 No Fractional Shares. Only whole Shares will be issuable pursuant to the Option; any fractional Share otherwise issuable under the Option will be rounded up to the nearest whole Share.

3. Effect of Termination of Service. Subject to earlier termination of the Option as otherwise provided herein and unless otherwise provided in the Grant Notice or the Plan, the Option shall be exercisable after your termination of service (for any reason except for Cause) with the Company or any of its Affiliate, for up to 90 days after your termination date or, if earlier, the expiration of the Option. Exceptions are made for termination of service due to reasons of death, Retirement, Disability or a Covered Termination in accordance with the terms of the Plan.

If your service with the Company or any of its Affiliates terminates for Cause, the Option (whether or not then vested) shall terminate in its entirety no later than your last day of service. In addition, if after your service terminates, the Company determines that it or an Affiliate could have terminated your service for Cause had all relevant facts been known at the time of your termination, then the Company may terminate the Option (whether vested or unvested) immediately upon such determination, and you will be prohibited from exercising the Option thereafter. In such event, you will be notified of the termination of the Option.

Further, for purposes of the Option, your service will be considered terminated as of the date you cease active service with the Company or any of its Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you provide services or the terms of your employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement or determined by the Company in its sole discretion, (a) your right to vest in the Option under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you provide

services or the terms of your employment or service agreement, if any); and (b) the period (if any) during which you may exercise the Option after such termination of service will commence on the date you cease active service and will not be extended by any notice period mandated under employment laws in the jurisdiction where you provide services or the terms of your employment or service agreement, if any; the Company shall have the exclusive discretion to determine when you have ceased active service for purposes of your Option grant (including whether you may still be considered to be providing services while on a leave of absence).

4. Term of the Option. The term of the Option commences on the Date of Grant (as specified in the Grant Notice) and expires upon the earliest of:

(a) the Expiration Date indicated in the Grant Notice; or

(b) the last day for exercising the Option following your termination of service as described in Section 3 above (the “Option Expiration Date”).

As an administrative matter, the vested portion of the Option may be exercised only until the close of the New York Stock Exchange (“NYSE”) on the applicable date indicated in this Section 4 or, if such date is not a trading day on the NYSE, the last trading day before such date. The Option shall no longer be exercisable after the Option Expiration Date and any later attempt to exercise the Option will not be honored.

5. Tax Withholding. You acknowledge that, regardless of any action taken by the Company or, if different, the Affiliate that employs you (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company or the Employer in their discretion to be an appropriate charge to you even if legally applicable to the Company or the Employer (“Tax-Related Items”), is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. You further acknowledge that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including, but not limited to, the grant, vesting or exercise of the Option, the subsequent sale of Shares acquired pursuant to such exercise and the receipt of any dividends; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Option to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; (ii) withholding from the proceeds of the sale of Shares acquired upon exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this

authorization without further consent); (iii) withholding from the Shares to be delivered upon exercise of the Option that number of Shares having a Fair Market Value equal to the amount required by law to be withheld; or (iv) permitting you to tender back to the Company a number of Shares delivered upon exercise of the Option or Shares previously owned by you having a Fair Market Value equal to the amount required by law to be withheld. For purposes of the foregoing, no fractional Share will be withheld or issued pursuant to the grant of the Option and the issuance of Shares hereunder.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates (as determined by the Company in good faith and in its sole discretion) or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund from the relevant taxing authority of any over-withheld amount in cash and will have no entitlement to the share equivalent. If the obligation for Tax-Related Items is satisfied by withholding from the Shares to be delivered upon exercise of the Option, for tax purposes, you are deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items.

You agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver Shares or proceeds from the sale of Shares until arrangements satisfactory to the Administrator have been made in connection with the Tax-Related Items. You will have no further rights with respect to any Shares that are retained by the Company pursuant to this provision.

6. Recoupment. The Option and any Shares issued under the Option are subject to recoupment in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy or practice otherwise required by applicable law. The Company shall have the right to offset against any other amounts due from the Company to you the amount owed by you hereunder.

7. Confidentiality, Non-Competition, Non-Solicitation and Non-Disparagement. As a condition to the receipt of the Option, you expressly agree to the terms and conditions in the Confidentiality, Non-Competition, Non-Solicitation and Non-Disparagement Agreement attached hereto as Exhibit A. In addition to any remedies available to the Company under Section 5 of Exhibit A, any violation of the terms and conditions of Exhibit A will result in a rescission of the Option made under this Award Agreement and a forfeiture of rights you have with respect thereto.

8. Securities Law Compliance. The grant of the Option and the issuance of Shares are subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or securities exchange as may be required. Notwithstanding any provision of this Award Agreement or the Plan, the Company has no liability to deliver any Shares under the Plan or make any payment unless such delivery or payment would comply with all laws and the applicable requirements of any governmental agency, securities exchange or similar entity, and unless and until you have taken all actions required by the Company in connection with the Option. The Company may impose such restrictions on any Shares issued

under the Plan as the Company determines necessary or desirable to comply with all applicable laws, rules and regulations or requirements.

9. Transferability. The Option shall not be transferable in any manner (including without limitation, sale, alienation, anticipation, pledge, encumbrance, or assignment) other than transfer by will or by the laws of descent and distribution, unless otherwise determined by the Committee in accordance with the terms of the Plan. All rights with respect to your Option shall be exercisable during your lifetime only by you or your guardian or legal representative or permitted transferee.

10. Shareholder Rights. You shall not have any voting rights or any other rights and privileges of a shareholder of the Company unless and until Shares are issued upon exercise of the Option.

11. Insider Trading and/or Market Abuse. By participating in the Plan, you agree to comply with the Company's policy on insider trading (to the extent that it is applicable to you). You further acknowledge that, depending on your or your broker's country of residence or where the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws which may affect your ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., Options) or rights linked to the value of Shares, during such times you are considered to have "inside information" regarding the Company as defined by the laws or regulations in your country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you place before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. You understand that third parties include fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and that you should therefore consult your personal advisor on this matter.

12. Code Section 409A. For U.S. taxpayers, it is the intent that the Option as set forth in this Award Agreement shall qualify for exemption from or comply with the requirements of Section 409A of the Code, and any ambiguities herein will be interpreted to so qualify or comply. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Award Agreement as may be necessary to ensure that all payments provided for under this Award Agreement are made in a manner that qualifies for exemption from or complies with Section 409A of the Code; provided, however, that the Company makes no representation that the Option provided under this Award Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A from applying to the Option. The Company will have no liability to you or any other party if the Option, the delivery of Shares upon exercise of the Option or other payment hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Company with respect thereto.

13. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and

agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. You also agree that all online acknowledgements shall have the same force and effect as a written signature.

14. Nature of Grant. In accepting the Option, you acknowledge and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company, in its sole discretion, at any time (subject to any limitations set forth in the Plan);

(b) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future grants of Options, or benefits in lieu of Options, even if Options or other awards have been granted in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan is voluntary;

(e) the Option and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any of its Affiliates and shall not interfere with the ability of the Company, any of its Affiliates or the Employer, as applicable, to terminate your employment or service relationship (as otherwise may be permitted under local law);

(f) the Option and any Shares acquired under the Plan and the income and value of the same are not intended to replace any pension rights or compensation;

(g) the Option and any Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Affiliate;

(h) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted with certainty;

(i) if the underlying Shares do not increase in value, the Option will have no value;

(j) if you exercise the Option and acquire Shares, the value of such Shares may increase or decrease in value, even below the exercise price;

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from termination of your service (for any reason whatsoever and whether or not in breach of local labor laws or later found invalid), and in consideration of the grant of the Option to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, any of its Affiliates, or the Employer, waive your

ability, if any, to bring any such claim, and release the Company, its Affiliates and the Employer from any such claim;

(l) the Option and the benefits evidenced by this Award Agreement do not create any entitlement not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the Option or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(m) if you are employed or providing services outside the United States, neither the Company nor any of its Affiliates shall be liable for any foreign exchange rate fluctuation between your local currency and the U.S. dollar that may affect the value of the Option or of any amounts due to you pursuant to the settlement of the Option or the subsequent sale of any Shares acquired upon settlement of the Option.

15. Data Privacy. *You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement, the Grant Notice and any other Option grant materials by and among, as necessary and applicable, the Company or any of its Affiliates, for the exclusive purpose of implementing, administering and managing your participation in the Plan. If there is a conflict between this Section 15 and the Company's existing policies and/or data protection charters, the terms of this Section 15 will prevail with respect to issues related to the Option and the Plan.*

You understand that the Company and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any Shares or directorships held in the Company, and details of the Option or any other entitlement to Shares canceled, exercised, vested, unvested or outstanding in your favor ("Data") for the purpose of implementing, administering and managing the Plan.

You understand that Data will be transferred to Fidelity Stock Plan Services or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. If you are employed outside the United States, you understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, Fidelity Stock Plan Services and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. If you are employed outside the United States, you understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not

consent, or if you later seek to revoke your consent, your service status and career will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant Options or other equity awards to you or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan.

For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Finally, upon request of the Company or the Employer, you agree to provide an executed data privacy consent form to the Company and/or the Employer (or any other agreements or consents that may be required by the Company and/or the Employer) that the Company and/or the Employer may deem necessary to obtain from you for the purpose of administering your participation in the Plan in compliance with the data privacy laws in your country, either now or in the future. You understand and agree that you will not be able to participate in the Plan if you fail to provide any such consent or agreement requested by the Company and/or the Employer.

16. Not a Public Offering. If you are a resident outside of the United States, the grant of the Option is not intended to be a public offering of securities in your country of residence (or country of service, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Option is not subject to the supervision of the local securities authorities.

17. Language. If you are resident in a country where English is not an official language, you acknowledge and agree that it is your express intent that this Award Agreement and the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Option be drawn up in English. If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

18. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

19. Repatriation; Compliance with Law. If you are resident or provide services outside the United States, you agree to repatriate all payments attributable to Shares and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in your country of residence (and country of service, if different). In addition, you agree to take any and all actions, and consent to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and/or regulations in your country of residence (and country of service, if different). Finally, you agree to take any and all actions as may be required to comply with your personal obligations under local laws, rules and/or regulations in your country of residence and country of service, if different).

20. Addendum. Notwithstanding any provisions in this Award Agreement, the Option shall be subject to any special terms and conditions set forth in the Addendum to the Award Agreement, set forth in Exhibit B. Moreover, if you transfer to one of the countries included in such Addendum, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable to comply with local law or facilitate the administration of the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). The Addendum constitutes part of this Award Agreement.

21. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the Option, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

22. Notices. Any notices provided for in the Grant Notice, this Award Agreement or the Plan shall be given in writing (including electronically) and shall be deemed effectively given upon receipt or, in the case of notices delivered via post by the Company to you, five (5) days after deposit in the mail, postage prepaid, addressed to you at the last address you provided to the Company.

23. Governing Plan Document. The Option is subject to the Grant Notice, this Award Agreement and all the provisions of the Plan, the provisions of which are hereby made a part of this Award Agreement, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of the Grant Notice, this Award Agreement and those of the Plan, the provisions of the Plan shall control. By accepting the Option, you confirm that you have read and understood the Award Agreement, the Plan, the Plan prospectus and related information provided to you and that you accept the terms of those documents accordingly.

24. Administrator Authority. You expressly understand that the Administrator is authorized to administer, construe, and make all determinations necessary or appropriate for the administration of the Award Agreement and the Plan, and that any interpretation or determination made by the Administrator under the Award Agreement or the Plan, will be final, binding and conclusive.

25. Governing Law and Venue. The Option and the provisions of this Award Agreement are governed by, and subject to, the laws of the state of Minnesota, U.S.A. without regard to the conflict of law provisions. For purposes of any action, lawsuit or other proceedings brought to enforce this Award Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of the United States District Court for the District of Minnesota or any of the courts of the state of Minnesota, U.S.A.

26. Severability. If any provision of this Award Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Award Agreement shall be deemed valid and enforceable to the full extent possible.

27. Waiver. The waiver by the Company with respect to your (or any other Participant's) compliance of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by such party of a provision of this Award Agreement.

* * * *

EXHIBIT A

CONFIDENTIALITY, NON-COMPETITION, NON-SOLICITATION AND NON-DISPARAGEMENT AGREEMENT

As a result of your intimate familiarity with proprietary and confidential information of the Company, the Award Agreement is subject to the restrictions set forth below. Any violation of these provisions will result in a rescission of the Option made under the Award Agreement and a forfeiture of any rights you have with respect thereto, as well as the remedies that are described in Section 5 hereof.

1. Confidentiality. You agree that you will treat during your employment and thereafter, as private and privileged, any information, data, figures, projections, estimates, marketing plans, customer lists, lists of contract workers, tax records, personnel records, accounting procedures, formulas, contracts, business partners, alliances, ventures and all other confidential information you acquire while working for the Company or any of its Affiliates. You agree that you will not release any such information to any person, firm, corporation or other entity at any time, except as may be required by law, or as agreed to in writing by the Company. You acknowledge that any violation of this non-disclosure provision shall entitle the Company to appropriate injunctive relief and to any damages which it may sustain due to the improper disclosure. However, you shall not be held in breach of this provision if you disclose confidential information to a federal, state or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law.

2. Non-Solicitation. You agree that, for a 12 month period (24 month period, if you are a Section 16 Participant at the time of your termination of employment) following your termination of service (voluntary or involuntary) from the Company or any of its Affiliates, you will not, for yourself or any third party, directly or indirectly, (i) solicit or accept competitive business from any customer of the Company or its Affiliates, or (ii) solicit any employee of the Company or its Affiliates for the purpose of hiring such person or otherwise entice, induce or encourage, directly or indirectly, any such employee to leave their employment.

You agree that engaging in any of the following activities will be a violation of the above paragraph: (1) soliciting for a hire or soliciting for retainer as an independent consultant or as contingent worker any employee of the Company or its Affiliates; (2) participating in the recruitment of any employee of the Company or its Affiliates; (3) serving as a reference for an employee of the Company or its Affiliates; (4) offering an opinion regarding the candidacy as a potential employee, independent consultant or contingent worker of an individual employed by the Company or its Affiliates; (5) assisting or encouraging any third party to pursue an employee of the Company or its Affiliates for potential employment, independent consulting or contingent worker opportunities; or (6) assisting or encouraging any employee of the Company or its Affiliates to leave their current position in order to be an employee, independent consultant or contingent worker for a third party.

3. Non-Competition. You agree that, for a 12 month period (24 month period, if you are a Section 16 Participant at the time of your termination of employment) following your

termination (voluntary or involuntary) from the Company or an Affiliate, you will not, for yourself or for any third party, directly or indirectly, in whole or in part, provide services, whether as an employee, employer, owner, operator, manager, advisor, consultant, agent, partner, director, shareholder, officer, volunteer, intern, or any other similar capacity, to any entity anywhere in the world engaged in a business that is competitive with the Company or its Affiliates. Notwithstanding the prior sentence, you are not prohibited from providing services to a competing entity if: (i) the duties and services provided by you to the competitor are not, in whole or in part, substantially similar to the duties and services you provided to the Company or its Affiliates; and (ii) the duties and services provided by you to the competitor are not reasonably likely to cause you to reveal trade secrets, know-how, customer lists, customer contracts, customer needs, business strategies, marketing strategies, product development, proprietary information and confidential information concerning the business of the Company or its Affiliates. Nothing in this Award Agreement prohibits you from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that your ownership represents a passive investment and that you are not a controlling person of, or a member of a group that controls, the corporation.

4. Non-Disparagement. You agree that you will not make disparaging remarks of any sort or otherwise communicate any disparaging comments to any other person or entity, about the Company and any of its divisions, subsidiaries, predecessors and successors, and any affiliated entities and persons, and all of their respective past and present employees, agents, insurers, officials, officers and directors. However, you shall not be held in breach of this provision if you disclose confidential information to a federal, state or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law.

5. Effect of Breach. By accepting the Option, you agree that in light of the award conferred to you under this Award Agreement, the narrow and restrictive covenants imposed above are reasonable and will not result in any hardship to you. Further, you acknowledge and agree that a breach of any obligation under this Award Agreement will result in irreparable injury to the Company and that such harm may not be compensable entirely with monetary damages. The Company reserves all rights to seek any and all remedies and damages permitted under law, including, but not limited to, injunctive relief, equitable relief and compensatory damages. In connection with any suit at law or in equity under this Award Agreement, the Company shall be entitled to an accounting, and to the repayment of all profits, compensation, commissions, fees, or other remuneration which you or any other entity or person has either directly or indirectly realized on its behalf or on behalf of another and/or may realize, as a result of, growing out of, or in connection with the violation which is the subject of the suit. Further, in the event of your breach of the above sections, you shall disgorge the value of all payments and benefits conferred to you by virtue of this Award Agreement, including, but not limited to, the cash or Shares awarded. In addition to the foregoing, the Company shall be entitled to collect from you any reasonable attorney's fees and costs occurred in bringing any action against you or otherwise to enforce the terms of this Award Agreement.

EXHIBIT B

[ADDENDUM TO STOCK OPTION AWARD AGREEMENT]

[COUNTRY-SPECIFIC TERMS AND CONDITIONS]

PENTAIR 2012 STOCK AND INCENTIVE PLAN
PERFORMANCE STOCK UNIT AWARD AGREEMENT

Pursuant to the notice of grant (the “Grant Notice”) and this Performance Stock Unit Award Agreement, including any country-specific terms in the applicable addendum hereto (the “Addendum”) (together, this “Award Agreement”), Pentair plc (the “Company”) has granted to you Performance Stock Units (“PSUs”) with respect to the number of ordinary shares of the Company (“Shares”) specified in the Grant Notice. Capitalized terms not defined in this Award Agreement but defined in the Pentair plc 2012 Stock and Incentive Plan, as may be amended or restated from time to time (the “Plan”) shall have the same definitions as in the Plan. Unless you decline this Award Agreement within 90 days, you agree to be bound by all of the provisions contained in this Award Agreement and the Plan.

1. Vesting. Except as otherwise provided in the Plan or this Award Agreement, the PSUs will vest as provided in the Grant Notice.

2. Settlement of PSUs. The Company shall deliver to you a whole number of Shares equal to the number of PSUs (if any) that vest pursuant to this Award Agreement, subject to withholding of any Tax-Related Items (as defined in Section 6 below). Such delivery shall take place (i) as soon as practicable following the date the Committee certifies the achievement of the performance goal(s) described in the Grant Notice (or other communication to you), if applicable, but in no event more than 75 days after the end of the performance period, or (ii) within 30 days after the vesting date if such certification is not necessary.

Notwithstanding the foregoing, if you are resident or provide services outside of the United States, the Company, in its sole discretion, may provide for the settlement of the PSUs in the form of:

(a) a cash payment in an amount equal to the Fair Market Value of the Shares as of the vesting date that correspond to the number of vested PSUs, to the extent that settlement in Shares (i) is prohibited under local law, (ii) would require you, the Company or any of its Affiliates to obtain the approval of any governmental or regulatory body in your country of residence (or country of employment, if different), (iii) would result in adverse tax consequences for you, the Company or any of its Affiliates or (iv) is administratively burdensome; or

(b) Shares, but require you to sell such Shares immediately or within a specified period following your termination of service (in which case, you hereby agree that the Company shall have the authority to issue sale instructions in relation to such Shares on your behalf).

3. No Fractional Shares. Only whole Shares will be issuable pursuant to the PSUs; any fractional Share otherwise issuable under the PSUs will be rounded up to the nearest whole Share.

4. Effect of Termination of Service. Unless otherwise provided in the Grant Notice or the Plan, in the event of termination of your service with the Company or any of its Affiliates for any reason (whether voluntarily or involuntarily), all your unvested PSUs will be cancelled

and forfeited. Exceptions are made for termination of service due to death, Retirement, Disability or a Covered Termination, as follows:

(a) If you are a Board-appointed officer either at the beginning of the performance period (or date of grant of this award, if later) or at the date of your termination, then the terms of the Plan apply to your PSUs.

(b) If you are not a Board-appointed officer as described above, then:

(i) If your termination is due to death or Disability, then the PSUs will be considered vested as if the target performance goals had been met as of the date of such termination; or

(ii) If your termination is due to Retirement or a Covered Termination, then the PSUs will be considered vested as if the target performance goals had been met as of the date of such termination, but pro-rated based on the portion of the performance period during which you were employed.

For purposes of the PSUs, your service will be considered terminated as of the date you cease active service with the Company or any of its Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you provide services or the terms of your employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement or determined by the Company in its sole discretion, your right to vest in the PSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., your period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where you provide services or the terms of your employment or service agreement, if any). The Company shall have the exclusive discretion to determine when you have ceased active service for purposes of your PSU grant (including whether you may still be considered to be providing services while on a leave of absence).

5. Dividend Equivalent Units. With respect to record dates occurring from and after the Date of Grant until the date that the PSUs are settled, you will be entitled to a cash payment equal to any cash dividend or cash distribution that would have been paid on the PSUs had the PSUs been issued and outstanding Shares on the record date for such dividend or distribution. Dividend Equivalent Units are not eligible for dividend reinvestment during the vesting period.

(a) If you are a United States taxpayer, payment of the Dividend Equivalent Units will be made to you in cash as soon as practicable after the dividend payment date set forth by the Company’s Board of Directors.

(b) If you are not a United States taxpayer, Dividend Equivalent Units will accrue on your unvested PSUs over the vesting period, and you will be paid in cash at the same time the related PSUs vest. If you forfeit your unvested PSUs, then the related accrued Dividend Equivalent Units will also be forfeited.

6. Tax Withholding. You acknowledge that, regardless of any action taken by the Company or, if different, the Affiliate that employs you (the “Employer”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other

tax-related items related to your participation in the Plan and legally applicable to you or deemed by the Company or the Employer in their discretion to be an appropriate charge to you even if legally applicable to the Company or the Employer (“Tax-Related Items”), is and remains your responsibility and may exceed the amount actually withheld by the Company or the Employer, if any. You further acknowledge that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting or settlement of the PSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the date of grant and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to the relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; (ii) withholding from the proceeds of the sale of Shares acquired upon vesting of the PSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); (iii) withholding from the Shares to be delivered upon settlement of the PSUs that number of Shares having a Fair Market Value equal to the amount required by law to be withheld; or (iv) permitting you to tender back to the Company a number of Shares delivered upon settlement of the PSUs or Shares previously owned by you having a Fair Market Value equal to the amount required by law to be withheld. For purposes of the foregoing, no fractional Share will be withheld or issued pursuant to the grant of the PSUs and the issuance of Shares hereunder. Notwithstanding the foregoing, if you are a Section 16 Participant, your withholding obligations shall be satisfied as described in clause (iii) above, unless the Committee approves another form of payment for such Tax-Related Items.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates (as determined by the Company in good faith and in its sole discretion) or other applicable withholding rates, including maximum applicable rates, in which case you will receive a refund of any over-withheld amount from the relevant taxing authority in cash and will have no entitlement to the share equivalent. If the obligation for Tax-Related Items is satisfied by withholding from the Shares to be delivered upon vesting of the PSUs, for tax purposes, you are deemed to have been issued the full number of Shares subject to the vested PSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items.

You agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver Shares or proceeds from the sale of Shares until arrangements satisfactory to the Administrator have been made in connection with the Tax-

Related Items. You will have no further rights with respect to any Shares that are retained by the Company pursuant to this provision.

7. Recoupment. The PSUs (and any compensation paid or Shares issued under the PSUs) are subject to recoupment in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy or practice otherwise required by applicable law. The Company shall have the right to offset against any other amounts due from the Company to you the amount owed by you hereunder.

8. Confidentiality, Non-Competition, Non-Solicitation and Non-Disparagement. As a condition to the receipt of the PSUs, you expressly agree to the terms and conditions in the Confidentiality, Non-Competition, Non-Solicitation and Non-Disparagement Agreement attached hereto as Exhibit A. In addition to any remedies available to the Company under Section 5 of Exhibit A, any violation of the terms and conditions of Exhibit A will result in a rescission of the PSUs made under this Award Agreement and a forfeiture of rights you have with respect thereto.

9. Securities Law Compliance. The grant of the PSUs and the issuance of Shares are subject to all applicable laws, rules and regulations and to such approvals by any governmental agencies or securities exchange as may be required. Notwithstanding any provision of this Award Agreement or the Plan, the Company has no liability to deliver any Shares under the Plan or make any payment unless such delivery or payment would comply with all laws and the applicable requirements of any governmental agency, securities exchange or similar entity, and unless and until you have taken all actions required by the Company in connection with the PSUs. The Company may impose such restrictions on any Shares issued under the Plan as the Company determines necessary or desirable to comply with all applicable laws, rules and regulations or requirements.

10. Transferability. The PSUs shall not be transferable in any manner (including without limitation, sale, alienation, anticipation, pledge, encumbrance, or assignment) other than transfer by will or by the laws of descent and distribution, unless otherwise determined by the Committee in accordance with the terms of the Plan. All rights with respect to the PSUs shall be exercisable during your lifetime only by you or your guardian or legal representative or permitted transferee.

11. Shareholder Rights. You shall not have any voting rights or any other rights and privileges of a shareholder of the Company unless and until Shares (if any) are issued upon settlement of the PSUs. Prior to actual payment of any PSUs, such PSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

12. Insider Trading and/or Market Abuse. By participating in the Plan, you agree to comply with the Company's policy on insider trading (to the extent that it is applicable to you). You further acknowledge that, depending on your or your broker's country of residence or where the Shares are listed, you may be subject to insider trading restrictions and/or market abuse laws which may affect your ability to accept, acquire, sell or otherwise dispose of Shares, rights to Shares (e.g., PSUs) or rights linked to the value of Shares, during such times you are considered to have "inside information" regarding the Company as defined by the laws or regulations in your country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you place before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. You understand that third parties include fellow employees. Any restriction under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. You acknowledge that it is your responsibility to comply with any applicable restrictions, and that you should therefore consult your personal advisor on this matter.

13. Code Section 409A. For U.S. taxpayers, it is the intent that the PSUs as set forth in this Award Agreement shall qualify for exemption from or comply with the requirements of Section 409A of the Code, and any ambiguities herein will be interpreted to so qualify or comply. Notwithstanding the foregoing, if it is determined that the PSUs fail to satisfy the requirements of the short-term deferral period exemption and are otherwise deferred compensation subject to Section 409A of the Code, and if you are a "specified employee" as of the date of your "separation from service" (as those terms are defined in the Plan or Section 409A of the Code), then the issuance of any Shares that would otherwise be made upon the date of your separation from service or within the first six (6) months thereafter will not be made on the originally scheduled date and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of your separation from service, but only if such delay in the issuance of the Shares is necessary to avoid the imposition of additional taxation on you in respect of the Shares under Section 409A of the Code. The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify this Award Agreement as may be necessary to ensure that all payments provided for under this Award Agreement are made in a manner that qualifies for exemption from or complies with Section 409A of the Code; provided, however, that the Company makes no representation that the grant, vesting, or settlement of PSUs provided for under this Award Agreement will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the grant, vesting or settlement of PSUs provided for under this Award Agreement. The Company will have no liability to you or any other party if the PSUs, the delivery of Shares upon settlement of the PSUs or other payment hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Company with respect thereto.

14. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company. You also agree that all online acknowledgements shall have the same force and effect as a written signature.

15. Nature of Grant. In accepting the PSUs, you acknowledge and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company, in its sole discretion, at any time (subject to any limitations set forth in the Plan);

(b) the grant of PSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of PSUs, or benefits in lieu of PSUs, even if PSUs or other awards have been granted in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) your participation in the Plan is voluntary;

(e) the PSUs and your participation in the Plan shall not create a right to employment or be interpreted as forming an employment or service contract with the Company or any of its Affiliates and shall not interfere with the ability of the Company, any of its Affiliates or the Employer, as applicable, to terminate your employment or service relationship (as otherwise may be permitted under local law);

(f) the PSUs and the Shares, and the income and value of the same, subject to the PSUs are not intended to replace any pension rights or compensation;

(g) the PSUs and any Shares acquired under the Plan and the income and value of same, are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Affiliate;

(h) the future value of the underlying Shares is unknown, indeterminable, and cannot be predicted with certainty;

(i) no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from termination of your service (for any reason whatsoever and whether or not in breach of local labor laws or later found invalid), and in consideration of the grant of the PSUs to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company, any of its Affiliates, or the Employer, waive your ability, if any, to bring any such claim, and release the Company, its Affiliates and the Employer, from any such claim;

(j) the PSUs and the benefits evidenced by this Award Agreement do not create any entitlement not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the PSUs or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(k) if you are employed or providing services outside of the United States, neither the Company nor any of its Affiliates shall be liable for any foreign exchange rate

fluctuation between your local currency and the U.S. dollar that may affect the value of the PSUs or any amounts due to you pursuant to the settlement of the PSUs or the subsequent sale of any Shares acquired upon settlement of the PSUs.

16. *Data Privacy*. You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Agreement, the Grant Notice and any other PSU grant materials by and among, as necessary and applicable, the Company or any of its Affiliates, for the exclusive purpose of implementing, administering and managing your participation in the Plan. If there is a conflict between this Section 16 and the Company's existing policies and/or data protection charters, the terms of this Section 16 will prevail with respect to issues related to the PSUs and the Plan.

You understand that the Company and/or the Employer may hold certain personal information about you, including, but not limited to, your name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any Shares or directorships held in the Company, and details of the PSUs or any other entitlement to Shares, canceled, exercised, vested, unvested or outstanding in your favor ("Data"), for the purpose of implementing, administering and managing the Plan.

You understand that Data will be transferred to Fidelity Stock Plan Services or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. You understand that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than your country. If you are employed outside the United States, you understand that you may request a list with the names and addresses of any potential recipients of Data by contacting your local human resources representative. You authorize the Company, Fidelity Stock Plan Services and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. If you are employed outside the United States, you understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing your local human resources representative. Further, you understand that you are providing the consents herein on a purely voluntary basis. If you do not consent, or if you later seek to revoke your consent, your service status and career will not be affected; the only consequence of refusing or withdrawing your consent is that the Company would not be able to grant you PSUs or other equity awards or administer or maintain such awards. Therefore, you understand that refusing or withdrawing your consent may affect your ability to participate in the Plan.

For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

Finally, upon request of the Company or the Employer, you agree to provide an executed data privacy consent form to the Company and/or the Employer (or any other agreements or

consents that may be required by the Company and/or the Employer) that the Company and/or the Employer may deem necessary to obtain from you for the purpose of administering your participation in the Plan in compliance with the data privacy laws in your country, either now or in the future. You understand and agree that you will not be able to participate in the Plan if you fail to provide any such consent or agreement requested by the Company and/or the Employer.

17. Not a Public Offering. If you are a resident outside of the United States, the grant of the PSUs is not intended to be a public offering of securities in your country of residence (or country of service, if different). The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the PSUs is not subject to the supervision of the local securities authorities.

18. Language. If you are resident in a country where English is not an official language, you acknowledge and agree that it is your express intent that this Award Agreement and the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the PSUs be drawn up in English. If you have received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

19. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying Shares. You are hereby advised to consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

20. Repatriation; Compliance with Law. If you are resident or provide services outside the United States, you agree to repatriate all payments attributable to Shares and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in your country of residence (and country of service, if different). In addition, you agree to take any and all actions, and consent to any and all actions taken by the Company and its Affiliates, as may be required to allow the Company and its Affiliates to comply with local laws, rules and/or regulations in your country of residence (and country of service, if different). Finally, you agree to take any and all actions as may be required to comply with your personal obligations under local laws, rules and/or regulations in your country of residence and country of service, if different).

21. Addendum. Notwithstanding any provisions in this Award Agreement, the PSUs shall be subject to any special terms and conditions set forth in the Addendum to this Award Agreement, as set forth in Exhibit B. Moreover, if you transfer to one of the countries included in such Addendum, the special terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable to comply with local law or facilitate the administration of the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate your transfer). The Addendum constitutes part of this Award Agreement.

22. Imposition of Other Requirements. The Company reserves the right to impose other requirements on your participation in the Plan, on the PSUs, and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to

comply with local law or facilitate the administration of the Plan, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

23. Notices. Any notices provided for in the Grant Notice, this Award Agreement or the Plan shall be given in writing (including electronically) and shall be deemed effectively given upon receipt or, in the case of notices delivered via post by the Company to you, five (5) days after deposit in the mail, postage prepaid, addressed to you at the last address you provided to the Company.

24. Governing Plan Document. The PSUs are subject to the Grant Notice, this Award Agreement and all the provisions of the Plan, the provisions of which are hereby made a part of this Award Agreement, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the provisions of the Grant Notice, this Award Agreement and those of the Plan, the provisions of the Plan shall control. By accepting the PSUs, you confirm that you have read and understood the Award Agreement, the Plan, the Plan prospectus and related information provided to you and that you accept the terms of those documents accordingly.

25. Administrator Authority. You expressly understand that the Administrator is authorized to administer, construe, and make all determinations necessary or appropriate for the administration of the Award Agreement and the Plan, and that any interpretation or determination made by the Administrator under the Award Agreement or the Plan, will be final, binding and conclusive.

26. Governing Law and Venue. The PSUs and the provisions of this Award Agreement are governed by, and subject to, the laws of the state of Minnesota, U.S.A. without regard to the conflict of law provisions. For purposes of any action, lawsuit or other proceedings brought to enforce this Award Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the United States District Court for the District of Minnesota or any of the courts of the state of Minnesota, U.S.A..

27. Severability. If any provision of this Award Agreement is held to be unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to the extent possible. In any event, all other provisions of this Award Agreement shall be deemed valid and enforceable to the full extent possible.

28. Waiver. The waiver by the Company with respect to your (or any other Participant's) compliance of any provision of this Award Agreement shall not operate or be construed as a waiver of any other provision of this Award Agreement, or of any subsequent breach by such party of a provision of this Award Agreement.

* * * *

EXHIBIT A

PENTAIR PLC CONFIDENTIALITY, NON-COMPETITION, NON-SOLICITATION AND NON-DISPARAGEMENT AGREEMENT

As a result of your intimate familiarity with proprietary and confidential information of the Company, the Award Agreement is subject to the restrictions set forth below. Any violation of these provisions will result in a rescission of the PSUs made under the Award Agreement and a forfeiture of any rights you have with respect thereto, as well as the remedies that are described in Section 5 hereof.

1. Confidentiality. You agree that you will treat during employment and thereafter, as private and privileged, any information, data, figures, projections, estimates, marketing plans, customer lists, lists of contract workers, tax records, personnel records, accounting procedures, formulas, contracts, business partners, alliances, ventures and all other confidential information you acquire while working for the Company or any of its Affiliates. You agree that you will not release any such information to any person, firm, corporation or other entity at any time, except as may be required by law, or as agreed to in writing by the Company. You acknowledge that any violation of this non-disclosure provision shall entitle the Company to appropriate injunctive relief and to any damages which it may sustain due to the improper disclosure. However, you shall not be held in breach of this provision if you disclose confidential information to a federal, state or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law.

2. Non-Solicitation. You agree that, for a 12 month period (24 month period, if you are a Section 16 Participant at the time of your termination of employment) following your termination (voluntary or involuntary) from the Company or any of its Affiliates, you will not, for yourself or any third party, directly or indirectly, (i) solicit or accept competitive business from any customer of the Company or its Affiliates, or (ii) solicit any employee of the Company or its Affiliates for the purpose of hiring such person or otherwise entice, induce or encourage, directly or indirectly, any such employee to leave their employment.

You agree that engaging in any of the following activities will be a violation of the above paragraph: (1) soliciting for a hire or soliciting for retainer as an independent consultant or as contingent worker any employee of the Company or its Affiliates; (2) participating in the recruitment of any employee of the Company or its Affiliates; (3) serving as a reference for an employee of the Company or its Affiliates; (4) offering an opinion regarding the candidacy as a potential employee, independent consultant or contingent worker of an individual employed by the Company or its Affiliates; (5) assisting or encouraging any third party to pursue an employee of the Company or its Affiliates for potential employment, independent consulting or contingent worker opportunities; or (6) assisting or encouraging any employee of the Company or its Affiliates to leave their current position in order to be an employee, independent consultant or contingent worker for a third party.

3. Non-Competition. You agree that, for a 12 month period (24 month period, if you are a Section 16 Participant at the time of your termination of employment) following your termination (voluntary or involuntary) from the Company or its Affiliates, you will not, for yourself or for any third party, directly or indirectly, in whole or in part, provide services, whether as an employee, employer, owner, operator, manager, advisor, consultant, agent, partner,

director, stockholder, officer, volunteer, intern, or any other similar capacity, to any entity anywhere in the world engaged in a business that is competitive with the Company or its Affiliates. Notwithstanding the prior sentence, you are not prohibited from providing services to a competing entity if: (i) the duties and services provided by you to the competitor are not, in whole or in part, substantially similar to the duties and services you provided to the Company or its Affiliates; and (ii) the duties and services provided by you to the competitor are not reasonably likely to cause you to reveal trade secrets, know-how, customer lists, customer contracts, customer needs, business strategies, marketing strategies, product development, proprietary information and confidential information concerning the business of the Company or its Affiliates. Nothing in this Award Agreement prohibits you from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that your ownership represents a passive investment and that you are not a controlling person of, or a member of a group that controls, the corporation.

4. Non-Disparagement. You agree that you will not make disparaging remarks of any sort or otherwise communicate any disparaging comments to any other person or entity, about the Company and any of its divisions, subsidiaries, predecessors and successors, and any affiliated entities and persons, and all of their respective past and present employees, agents, insurers, officials, officers and directors. However, you shall not be held in breach of this provision if you disclose confidential information to a federal, state or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law.

5. Effect of Breach. By accepting the PSUs, you agree that in light of the award conferred to you under this Award Agreement, the narrow and restrictive covenants imposed above are reasonable and will not result in any hardship to you. Further, you acknowledge and agree that a breach of any obligation under this Award Agreement will result in irreparable injury to the Company and that such harm may not be compensable entirely with monetary damages. The Company reserves all rights to seek any and all remedies and damages permitted under law, including, but not limited to, injunctive relief, equitable relief and compensatory damages. In connection with any suit at law or in equity under this Award Agreement, the Company shall be entitled to an accounting, and to the repayment of all profits, compensation, commissions, fees, or other remuneration which you or any other entity or person has either directly or indirectly realized on its behalf or on behalf of another and/or may realize, as a result of, growing out of, or in connection with the violation which is the subject of the suit. Further, in the event of your breach of the above sections, you shall disgorge the value of all payments and benefits conferred to you by virtue of this Award Agreement, including, but not limited to, the cash or Shares awarded. In addition to the foregoing, the Company shall be entitled to collect from you any reasonable attorney's fees and costs occurred in bringing any action against you or otherwise to enforce the terms of this Award Agreement.

EXHIBIT B

[ADDENDUM TO RESTRICTED STOCK UNIT AWARD AGREEMENT]

[COUNTRY-SPECIFIC TERMS AND CONDITIONS]

CONFIDENTIAL TRANSITION AGREEMENT

This CONFIDENTIAL TRANSITION AGREEMENT (“Agreement”) is made effective this 15th day of March, 2018, by and between Angela D. Jilek (“Employee”) and Pentair Management Company on behalf of itself, its predecessors, subsidiaries and affiliated entities (collectively, “Company”).

WHEREAS, the parties understand and agree that Employee's last day of employment with the Company will be May 1, 2018 (the “Separation Date”).

WHEREAS, the parties now wish to enter into this Agreement to memorialize their mutual understanding and agreement regarding their respective obligations to one another between now and the Separation Date (which such period shall be known as the “Transition Period”) and their mutual understanding and agreement regarding the terms and conditions of Employee's separation of employment.

WHEREFORE, for good and valuable consideration, the parties hereby agree as follows:

1. **Separation Payment and Other Benefits.** Provided Employee becomes eligible to sign, signs and does not rescind the post-employment release of claims in the form attached hereto as Exhibit A (the “Release”) after her employment with the Company has ended and subject to the conditions of this Agreement, the Company shall pay Employee the sum of \$1,934,000.00, less applicable withholdings (the “Separation Payment”). The Separation Payment shall be paid as follows: (a) a first installment of \$688,900.00, less withholdings, to be paid within twenty (20) days following Employee’s delivery of the signed Release to the Company following the Separation Date, and (b) a conditional second installment of \$1,245,100, less withholdings, payable within twelve (12) months following the Separation Date provided Employee has remained in strict compliance with her obligations under this Agreement. In order to become eligible to sign the Release and subject to Section 3 below, Employee must remain an employee in good standing throughout the entire Transition Period.

Employee will be paid her accrued and unused vacation balance (equivalent to four (4) weeks, less applicable withholdings) following the Separation Date with or without this Agreement. Further, provided Employee does not exercise her right of rescission under Section 8, the Company will pay to Employee an additional lump sum of \$23,246.00 less applicable withholdings (the “COBRA Subsidy”), which Employee may use toward the cost of future health insurance premiums or for other purposes. The COBRA Subsidy will be paid to Employee at the same time the first installment of the Separation Payment is made.

As a participant in the Pentair Management Incentive Plan (“MIP”), Employee will receive a MIP bonus award for the 2017 year, subject to the terms and conditions of the MIP, for the 2017 year payable by March 15, 2018 at the same time other eligible participants in the MIP receive earned payments attributable to the 2017 year. Further, provided Employee does not exercise her right of rescission under Section 8, then when the Company performs the 2017 year-end calculation in order to calculate the amount of the bonus payment for the 2017 year under the MIP, the SDF metric under the MIP shall be set at 100% of target. Employee will remain eligible to receive a prorated MIP bonus award for the 2018 year, subject to the terms and

conditions of the MIP, for the 2018 year payable by March 15, 2019 at the same time other eligible participants in the MIP receive earned payments attributable to the 2018 year. Further, provided Employee does not exercise her right of rescission under Section 8, then when the Company performs the 2018 year-end calculation in order to calculate the amount of the prorated bonus payment for the 2018 year under the MIP, the SDF metric under the MIP shall be set at 100% of target.

Employee understands and agrees that, except as provided above and in Section 10 below, she has no rights to or claims under any other bonus or incentive compensation plans of any type, including, but not limited to, the Pentair Management Incentive Plan, the Omnibus Stock Incentive Plan, the 2008 Omnibus Stock Incentive Plan, the 2012 Stock and Incentive Plan, the Flexible Perquisite Plan, the Pentair plc Employee Stock Purchase and Bonus Plan, the Pentair, Inc. Supplemental Executive Retirement Plan (together with its predecessors, the "SERP"), the Pentair, Inc. Pension Plan (the "Pension Plan"), the Pentair Inc. Deferred Compensation plan (referred to as the "Sidekick Plan"), the Pentair, Inc. Retirement Savings and Stock Incentive Plan (the "401(k) Plan"), or any successor plans thereto, or any plans of employers acquired by the Company with respect to options, restricted stock, restricted stock units or performance units. The Omnibus Stock Incentive Plan, the 2008 Omnibus Stock Incentive Plan, the 2012 Stock and Incentive Plan, or any successor plans thereto, and any other plans of employers acquired by the Company under which Employee holds vested or unvested options, restricted stock, restricted stock units or performance units, are in the aggregate called the "Pentair Equity Plans" and the document(s) establishing the terms and conditions of the grants under the Pentair Equity Plans are called the "Terms & Conditions" in this Agreement. Provided Employee does not exercise her right of rescission under Section 8, the Company agrees that Employee's options, restricted stock, restricted stock units or performance units under the Pentair Equity Plans, if any, will be treated in accordance with Section 10 of this Agreement.

2. Discharge of Claims. In exchange for the benefits provided in this Agreement, Employee, on behalf of herself, her agents, representatives, attorneys, assignees, heirs, executors, and administrators, hereby covenants not to sue and hereby releases and forever discharges the Company, and its past and present employees, agents, insurers, officials, officers, directors, divisions, parents (including Pentair plc), subsidiaries, predecessors and successors, and all affiliated entities and persons, and all of their respective past and present employees, agents, insurers, officials, officers, and directors from any and all claims and causes of action of any type arising, or which may have arisen, out of or in connection with her employment or the separation of her employment with the Company, including but not limited to claims, demands or actions arising under the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974, the Age Discrimination in Employment Act of 1967 as amended by the Older Workers Benefit Protection Act, the Equal Pay Act, 42 U.S.C. § 1981, the Sarbanes-Oxley Act, the Dodd–Frank Wall Street Reform and Consumer Protection Act, the Fair Credit Reporting Act, the Vocational Rehabilitation Act, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act, the Lily Ledbetter Fair Pay Act of 2009, the Americans with Disabilities Act, the Rehabilitation Act of 1973, the Genetic Information Nondiscrimination Act, the Immigration Reform and Control Act of 1986, the Civil Rights Act of 1991, the Occupational Safety and Health Act, the Consumer Credit Protection Act, the American Recovery and Reinvestment Act

of 2009, the Asbestos Hazard Emergency Response Act, Employee Polygraph Protection Act, the Uniformed Services Employment and Reemployment Rights Act, the Minnesota Human Rights Act, the Minnesota Equal Pay for Equal Work Law, the Minnesota Fair Labor Standards Act, the Minnesota Labor Relations Act, the Minnesota Occupational Safety and Health Act, the Minnesota Criminal Background Check Act, the Minnesota Lawful Consumable Products Law, the Minnesota Smokers' Rights Law, the Minnesota Parental Leave Act, the Minnesota Adoptive Parent Leave Law, the Minnesota Whistleblower Act, the Minnesota Drug and Alcohol Testing in the Workplace Act, the Minnesota Consumer Reports Law, the Minnesota Victim of Violent Crime Leave Law, the Minnesota Domestic Abuse Leave Law, the Minnesota Bone Marrow Donation Leave Law, the Minnesota Military and Service Leave Law, the Minnesota Minimum Wage Law, the Minnesota Drug and Alcohol Testing in the Workplace Act, Minn. Stat. 176.82, Minnesota Statutes Chapter 181, the Minnesota Constitution, Minnesota common law, and all other applicable state, county and local ordinances, statutes and regulations. Employee further understands that this discharge of claims extends to, but is not limited to, all claims which she may have as of the date of this Agreement based upon statutory or common law claims for defamation, libel, slander, assault, battery, negligent or intentional infliction of emotional distress, negligent hiring or retention, breach of contract, retaliation, whistleblowing, promissory estoppel, fraud, wrongful discharge, or any other theory, whether legal or equitable, and any and all claims for wages, salary, bonuses, commissions, damages, attorney's fees or costs. Employee acknowledges that this release includes all claims that she is legally permitted to release, and as such, does not apply to any vested rights under the Company's retirement plans, nor does it preclude her from filing an administrative charge with a government agency, though she may not recover any damages or receive any relief from the Company if she does file such a charge.

3. Transition Period. Employee will fully cooperate with the Company during the Transition Period, and Employee shall perform in good faith all duties assigned by the Company during the Transition Period. Provided Employee remains an employee in good standing through the entire Transition Period, then Employee shall have the right to sign the Release after the Separation Date (but no later than twenty-one (21) days after the Separation Date).

4. Confidential Information Acquired During Employment. Employee agrees that she will continue to treat, as private and privileged, any information, data, figures, projections, estimates, marketing plans, customer lists, lists of contract workers, tax records, personnel records, accounting procedures, formulas, contracts, business partners, alliances, ventures and all other confidential information which Employee acquired while working for the Company. Employee agrees that she will not release any such information to any person, firm, corporation or other entity at any time, except as may be required by law, or as agreed to in writing by the Company. Employee acknowledges that any violation of this non-disclosure provision shall entitle the Company to appropriate injunctive relief and to any damages which it may sustain due to the improper disclosure.

Immunity from Liability: Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and is made solely for the purpose of reporting or investigating a suspected violation of law. The same immunity will be provided for the disclosure of a trade secret that is made in a complaint or other

document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the individual's attorney and use the trade secret information in the court proceeding if the individual files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

5. Confidentiality, No Disparaging Remarks. Employee represents and agrees that she will keep the terms and facts of this Agreement completely confidential, and that she will not disclose any information concerning this Agreement to anyone, except for her counsel, tax accountant, spouse or except as may be required by law or agreed to in writing by the Company or as otherwise required for Employee to enforce or defend her rights hereunder. Further, subject to Section 14 below, Employee shall not make any disparaging remarks of any sort or otherwise communicate any disparaging comments about the Company, its managers, officers or directors, or about any of the other released persons or entities identified in Section 2 to any other person or entity. The Company, for its part, agrees that its managers, officers and directors shall not make any disparaging remarks of any sort or otherwise communicate any disparaging comments about Employee to any other person or entity.

6. Cooperation and Certification. At the request of the Company following the Separation Date and subject to Section 14 below, Employee will cooperate with the Company, with Pentair plc and with any affiliate of Pentair plc in any claims or lawsuits where Employee has knowledge of the facts. Nothing in this Agreement prevents Employee from testifying at an administrative hearing, arbitration, deposition or in court in response to a lawful and properly served subpoena (provided Employee provides written notice of the service of the subpoena to the Company within twenty-four (24) hours of receipt), nor does it preclude Employee from filing an administrative charge with a government agency or cooperating with a government agency in connection with an administrative charge (though she may not recover damages or receive any relief from the Company if she does file such a charge as noted in Section 2 above). Finally, Employee certifies, warrants and represents that she has faithfully discharged her role with the Company at all times during her employment. Employee further certifies, warrants and represents that she is unaware of any actual or potential violations of law by the Company, Pentair plc, or any affiliate of Pentair plc.

7. No Wrongdoing. Employee and the Company agree and acknowledge that the consideration exchanged herein does not constitute, and shall not be construed as, an admission of liability or wrongdoing on the part of Employee, the Company or any entity or person, and shall not be admissible in any proceeding as evidence of liability or wrongdoing by anyone.

8. Notification of Release and Right to Rescind. This Agreement contains a release of certain legal rights which Employee may have, including rights under the Age Discrimination in Employment Act and the Minnesota Human Rights Act. Employee is advised that she should consult with an attorney regarding such release and other aspects of this Agreement before signing this Agreement. Employee understands that she may nullify and rescind this entire Agreement at any time within the next fifteen (15) days of the date of signature below by indicating her desire to do so in writing and delivering that writing to the Company c/o Jörg H. Kasparek, Vice President, Compensation & Benefits, Pentair plc, Suite 600, 5500 Wayzata

Boulevard, Golden Valley, MN 55416, by hand or by certified mail. Employee further understands that if she rescinds this Agreement on a timely basis, the Company will not be bound by the terms of this Agreement, and, in such event, Employee will have no right to receive or right to retain the financial benefits conferred under this Agreement.

9. Outplacement. Provided Employee does not exercise her right of rescission under Section 8 herein, then the Company shall pay for outplacement services for Employee's benefit to be provided by a vendor selected by the Company to the extent such services are actually utilized by Employee within one (1) year following the Separation Date and to the extent the cost does not exceed the Company-determined maximum. In lieu of outplacement services, Employee may elect to receive a cash payment in the amount of \$45,000.00, less applicable withholdings, by informing the Company in writing of such election within fifteen (15) days of the execution of this Agreement; if Employee makes such a timely election, the Company will provide the payment to her within sixty (60) days of the Separation Date.

10. Restricted Stock Units, Cash Performance Units, Performance Share Units and Stock Options under Pentair Equity Plans; Retirement Plans. Provided Employee does not exercise her right of rescission under Section 8, if Employee has unvested awards under the Pentair Equity Plans, the Company agrees to treat Employee's unearned restricted stock units, cash performance units, performance share units, and nonqualified stock options and incentive stock options, or other accrued benefits under the Pentair Equity Plans as follows:

- i. Restricted Stock Units. Employee's unvested Restricted Stock Units (RSUs) under the Pentair Equity Plans, if any, shall be treated by the Company as fully and immediately vested, effective as of the Separation Date. The value of Employee's RSUs (settled in stock) shall be deposited into Employee's Fidelity brokerage account (reduced by applicable withholdings) within one month following the Separation Date, or if later, within fourteen (14) days of the expiration of the rescission period under Section 8; provided, however, that if Employee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) and if the RSUs would be considered deferred compensation under Section 409A, then the shares (reduced by applicable withholdings) will be deposited six (6) months following the Separation Date.
- ii. Performance Share Units. Employee's outstanding Performance Share Units (PSUs) shall be converted to RSUs (with respect to common shares of the Company and/or nVent Electric plc in accordance with the terms of the Employee Matters Agreement between the Company and nVent Electric plc) effective upon the spin-off of the Company's electrical business (the "Spin Date"). The value of the PSUs converted to RSUs shall be at the level of performance approved by the Compensation Committee, and following the conversion, the value of such RSUs (settled in stock) shall be deposited into Employee's Fidelity brokerage account (reduced by applicable withholdings) as soon as practicable following the later of the Spin Date or Employee's termination of employment date.
- iii. Options. Employee's unvested stock options under the Pentair Equity Plans, if any, shall remain outstanding (the "Outstanding Options") and vest in accordance with the terms of

the particular grant or award under the Pentair Equity Plans or applicable Terms & Conditions until the earlier of the expiration date of the award or the fifth anniversary of the Separation Date. The Outstanding Options may be exercised by Employee until the earlier of the expiration date of the particular award or within five (5) years after the Separation Date, at the time and in the manner permitted under the terms of the applicable Pentair Equity Plan and the applicable Terms & Conditions. Five (5) years after the Separation Date, all Outstanding Options unexercised by Employee shall be forfeited. Employee's stock options under the Pentair Equity Plans that had vested prior the Separation Date (the "Previously Vested Options") may be exercised by Employee at any time in accordance with the time and in the manner permitted under the terms of the applicable Pentair Equity Plan without regard to whether she signs this Agreement. The Previously Vested Options shall expire and become non-exercisable in accordance with the terms of the applicable Pentair Equity Plan and the Terms & Conditions without regard to whether Employee signs this Agreement.

As for Employee's incentive stock options, they are eligible for preferential tax treatment if exercised within a period of ninety (90) days following the Separation Date, and if exercised more than ninety (90) days following the Separation Date, they will be taxed as ordinary income upon exercise.

- iv. Retirement Plans. Employee shall be entitled to receive payments under the Sidekick Plan, the SERP, the Pension Plan, and the 401(k) Plan (collectively, the "Retirement Plans"), without regard to whether Employee signs this Agreement. Payment or distributions of Employee's Retirement Plans' benefits will be made in accordance with the terms of the applicable Retirement Plan documents, deferral elections, Internal Revenue Code regulations, or the Employee Retirement Income Security Act of 1974, including the requirement that if Employee is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) and if payments under the Retirement Plans would be considered deferred compensation under Section 409A, then the value (reduced by applicable withholdings) will be paid or begin to be paid no sooner than six (6) months following the Separation Date.

Employee acknowledges that it is Employee's responsibility to review her personal Fidelity account and take action prior to the expiration dates for each grant.

11. Narrow Post-Employment Restrictions.

- (a) Definitions. For the purpose of Section 11 of this Agreement, the following definitions shall apply:

The Business. The "Business" means each of the business segments, business units, and subsidiary operations of Pentair plc and its subsidiary entities and affiliates on a global basis. The parties acknowledge that due to Employee's executive position and global duties and responsibilities on behalf of Pentair plc and the Company: (i) she is familiar with all business segments and business units of Pentair plc; (ii) she has been materially involved in all business segments and business units of Pentair plc on a global basis; and (iii) she has received

lucrative financial benefits as a result of her exposure to and involvement in all business segments and business units of Pentair plc on a global basis.

Competitor. “Competitor” means any economic concern, whether an entity or a person, that competes against the Business in any geographic market where the Company, Pentair plc or any of its affiliates does business.

Pentair Entities. “Pentair Entities” includes the Company, Pentair plc, any affiliate of Pentair plc and any entity that is a spin-off from Pentair plc or its subsidiaries.

Throughout her employment with the Company, Employee became intimately familiar with trade secrets, know-how, business strategies, marketing strategies, product development, proprietary information and confidential information concerning the Business and concerning the operations of the Company, Pentair plc and its affiliates. As a result of Employee’s intimate familiarity with the proprietary and confidential information regarding the Business, Employee acknowledges and agrees that she would be able to engage in unfair competition vis-à-vis the Pentair Entities in the event she were to: (i) become employed by or otherwise involved in any way with a Competitor; (ii) solicit or accept competitive business from customers of the Pentair Entities; or (iii) solicit employees of the Pentair Entities. Accordingly, Employee agrees to the narrow post-employment restrictions set forth in Sections 11(b) and 11(c) below.

(b) Non-Competition. Employee agrees that for a twenty-four (24) month period following the Separation Date, she will not (whether in her individual capacity or as an agent of a third party) become employed by, consult with, obtain an ownership interest in, render services to, or have any competitive involvement with a Competitor in any market in the world where Pentair Entities are conducting the Business.

(c) Non-Solicitation. Employee agrees that for a twenty-four (24) month period following the Separation Date, she will not, for herself or for any third party, directly or indirectly, (i) solicit or accept business from any customer of the Pentair Entities, or (ii) solicit any employee of the Pentair Entities the purpose of hiring such person or otherwise entice, induce or encourage, directly or indirectly, any such employee to leave his or her employment.

The parties acknowledge and agree that the requirement in Section 11(c)(ii) which prohibits Employee from directly or indirectly soliciting or otherwise enticing, inducing or encouraging any employee of the Pentair Entities to leave his or her employment is intended to prohibit and shall prohibit, without limitation, Employee from doing any of the following: (a) solicit for hire or solicit for retainer as an independent consultant or as contingent worker any employee of any of the Pentair Entities; (b) participate in the recruitment of any employee of any of the Pentair Entities, such as through interviewing; (c) serve as a reference for an employee of the Pentair Entities; (d) offer an opinion regarding the candidacy as a potential employee, independent consultant or contingent worker of an individual employed by the Pentair Entities; (e) assist or encourage any third party to pursue an employee of the Pentair Entities for potential employment, independent consulting or contingent worker opportunities; or (f) assist or encourage any employee of the Pentair Entities to leave the Pentair Entities in order to be an employee, independent consultant or contingent worker for a third party.

(d) Reasonableness and Notice. Employee agrees that in light of the money and benefits conferred to her under this Agreement, the narrow nature of the restrictive covenants imposed under Sections 11(b) and 11(c) are reasonable and will not result in any hardship to her. Further, Employee acknowledges and agrees that her breach of any obligation under this Section 11 would cause irreparable harm to the Pentair Entities and that such harm may not be compensable entirely with monetary damages. If Employee violates her obligations under this section, the aggrieved Pentair Entities may, but shall not be required to, seek injunctive relief and/or any other remedy allowed at law, in equity, or under this Agreement. Any injunctive relief sought shall be in addition to and not in limitation of any monetary relief or other remedies or rights at law, in equity, or under this Agreement. In connection with any suit at law or in equity under this Agreement, the Pentair Entities shall be entitled to an accounting, and to the repayment of all profits, compensation, commissions, fees, or other remuneration which Employee or any other entity or person has either directly or indirectly realized on its behalf or on behalf of another and/or may realize, as a result of, growing out of, or in connection with the violation which is the subject of the suit. Further, in the event of Employee's breach of this section, Employee shall disgorge the value of all payments and benefits conferred to her by virtue of this Agreement, including the Separation Payment. In addition to the foregoing, the Pentair Entities shall be entitled to collect from Employee any reasonable attorney's fees and costs incurred in bringing any action against Employee or otherwise to enforce the terms of this Agreement. The parties agree that it is their intent that the restrictions in this Section 11 be enforced to the maximum allowable extent or modified to permit enforcement to the maximum allowable extent under the laws of Minnesota as determined by a court of appropriate jurisdiction in Minnesota, and the parties further agree to and acknowledge the sufficiency of the parties' contacts with the State of Minnesota in order to confer exclusive jurisdiction of Minnesota courts applying Minnesota law.

Employee agrees that while the restrictive covenants imposed under this Section 11 are in effect, Employee shall give written notice to the Company within ten days after accepting any other employment, position, or ownership interest with any entity that has operations which compete with the operations of any of the Pentair Entities. Such written notice shall be delivered to the Company c/o Pentair General Counsel & Secretary, Pentair plc, Suite 600, 5500 Wayzata Boulevard, Golden Valley, MN 55416, by hand or by certified mail. Employee agrees that the Company may notify such new employer, company or corporate entity that Employee is bound by this Agreement and, at the Company's election, furnish such employer, company or corporate entity with a copy of Section 11 of this Agreement.

12. Return of Company Property. Employee covenants, warrants and represents that on or before the Separation Date, she will have returned any and all Company property that was ever in her possession or under her control to the Company prior to her signature of this Agreement, and this covenant, warranty and representation expressly extends to (but is not limited to) security card, keys, codes, materials, books, files and laptop computer. The Company agrees that it will convey to Employee all right & interest in the Company ipad and cell phone used by Employee during her employment and currently in her possession; provided that Employee first returns such equipment to the Company for the purpose of removing all data from it.

13. Minnesota Law, Forum and Merger. The terms of this Agreement shall be governed by the laws of the State of Minnesota, the location of Pentair's main U.S. office, and shall be construed and enforced thereunder. Any dispute arising under this Agreement shall be determined exclusively by a Minnesota court of appropriate jurisdiction, and the parties acknowledge the existence of sufficient contacts to the State of Minnesota to confer exclusive jurisdiction upon courts in that state. This Agreement supersedes and replaces all prior oral and written agreements, understandings, and representations between Employee and the Company. Further, Employee understands and agrees that, except as provided in this Agreement, all claims which she has or may have against the Company and the other released parties are fully released and discharged by this Agreement. The only claim which Employee may hereafter assert against the Company or any of the other released parties is limited to an alleged breach of this Agreement.

14. Administrative Charges, Investigations, and Proceedings. Nothing in this Agreement prohibits Employee from reporting possible violations of federal or state law or regulation to the government, including but not limited to the EEOC, Department of Justice, Securities and Exchange Commission, Congress, and any agency inspector general, or filing a charge with or participating in an investigation or proceeding conducted by the EEOC or a comparable state or local agency (collectively, any such activity shall be referred to as a "Government Report"). Employee does not need prior authorization of the Company to make a Government Report and is not required to notify the Company that she has made a Government Report. The restrictions in Sections 5-6 above regarding confidentiality, non-disparagement and cooperation do not apply in connection with a Government Report. Notwithstanding the provisions of this Section 14, Employee's release of claims in Section 2 above waives any alleged right to recover any monetary damages, receive payment for attorneys' fees, costs or disbursements or receive any relief from the Company in connection with any matter, including a Government Report, but this Agreement does not limit any right of Employee to receive a reward from the government for providing it information in connection with a Government Report.

15. Construction of this Agreement and Severability. Should this Agreement require judicial interpretation, the court shall not construe the Agreement more strictly against any party, including the party who prepared it. Any portions of this Agreement found by a court of competent jurisdiction to be invalid, illegal, overly broad or unenforceable in any respect shall be revised to the minimum amount necessary in order to be valid and enforceable.

16. Employee Understands the Terms of this Agreement. Other than stated herein, Employee warrants that (a) no promise or inducement has been offered for this Agreement; (b) this Agreement is executed without reliance upon any statement or representation of the Company or its representatives concerning the nature and extent of any claims or liability therefor, if any; (c) Employee is legally competent to execute this Agreement and accepts full responsibility therefor; (d) the Company has advised Employee to consult with an attorney, and Employee has had a sufficient opportunity to consult with an attorney; (e) the Company has allowed Employee twenty-one (21) days within which to consider this proposed Agreement; and (f) Employee fully understands this Agreement and has been advised by counsel (or has consciously chosen not to seek counsel) of the consequences of signing this Agreement. The parties acknowledge and agree that if Employee has not signed this proposed Agreement within

the twenty-one (21) day period following the Company's presentation of the offer of this Agreement to Employee, then the offer of this Agreement shall expire by its own terms and be of no further force or effect without any further action required on the part of the Company.

EMPLOYEE

Dated: March 15, 2018 /s/ Angela D. Jilek
Angela D. Jilek

Dated: March 15, 2018 **PENTAIR MANAGEMENT COMPANY**

By /s/ Randall J. Hogan
Randall J. Hogan
Its Chairman and Chief Executive Officer

EXHIBIT A

Post-Employment Release of Claims. Employee, on behalf of herself, her agents, representatives, attorneys, assignees, heirs, executors, and administrators, hereby covenants not to sue and releases and forever discharges Pentair Management Company (the "Company"), and its past and present employees, agents, insurers, officials, officers, directors, divisions, parents, subsidiaries and successors, and all affiliated companies and entities (including Pentair plc), and all of their respective past and present employees, agents, insurers, officials, officers, and directors from any and all claims and causes of action of any type arising, or which may have arisen, out of or in connection with her employment or the separation of her employment, including but not limited to claims, demands or actions arising under the National Labor Relations Act, Title VII of the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974, the Age Discrimination in Employment Act of 1967 as amended by the Older Workers Benefit Protection Act, the Equal Pay Act, 42 U.S.C. § 1981, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Fair Credit Reporting Act, the Vocational Rehabilitation Act, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act, the Fair Labor Standards Act, the Lily Ledbetter Fair Pay Act of 2009, the Americans with Disabilities Act, the Rehabilitation Act of 1973, the Genetic Information Nondiscrimination Act, the Immigration Reform and Control Act of 1986, the Civil Rights Act of 1991, the Occupational Safety and Health Act, the Consumer Credit Protection Act, the American Recovery and Reinvestment Act of 2009, the Asbestos Hazard Emergency Response Act, Employee Polygraph Protection Act, the Uniformed Services Employment and Reemployment Rights Act, the Minnesota Human Rights Act, the Minnesota Equal Pay for Equal Work Law, the Minnesota Fair Labor Standards Act, the Minnesota Labor Relations Act, the Minnesota Occupational Safety and Health Act, the Minnesota Criminal Background Check Act, the Minnesota Lawful Consumable Products Law, the Minnesota Smokers' Rights Law, the Minnesota Parental Leave Act, the Minnesota Adoptive Parent Leave Law, the Minnesota Whistleblower Act, the Minnesota Drug and Alcohol Testing in the Workplace Act, the Minnesota Consumer Reports Law, the Minnesota Victim of Violent Crime Leave Law, the Minnesota Domestic Abuse Leave Law, the Minnesota Bone Marrow Donation Leave Law, the Minnesota Military and Service Leave Law, the Minnesota Minimum Wage Law, the Minnesota Drug and Alcohol Testing in the Workplace Act, Minn. Stat. 176.82, Minnesota Statutes Chapter 181, the Minnesota Constitution, Minnesota common law, and any other federal, state or local statute, ordinance, regulation or order regarding employment, compensation for employment, termination of employment, or discrimination in employment, and the common law of any state. Employee further understands that this discharge of claims extends to, but is not limited to, all claims which she may have as of the date of this Release based upon statutory or common law claims for defamation, libel, slander, assault, battery, negligent or intentional infliction of emotional distress, negligent hiring or retention, breach of contract, retaliation, whistleblowing, promissory estoppel, fraud, wrongful discharge, or any other theory, whether legal or equitable, and any and all claims for wages, salary, bonuses, commissions, damages, attorney's fees or costs. Employee acknowledges that this Release includes all claims that she is legally permitted to release, and as such, does not apply to any vested rights under the Company's retirement plans, nor does it preclude her from filing an administrative charge of discrimination, though she may not recover any damages if she does file such a charge.

Rescission. Employee understands she may not sign this post-employment release of claims ("Release") prior to her separation of employment with the Company. Employee further understands that she may nullify and rescind this Release at any time within fifteen (15) days from the date of signature below by indicating her desire to do so in writing and delivering that writing to the Company c/o Jörg H. Kasperek, Vice President, Compensation & Benefits, Pentair plc, Suite 600, 5500 Wayzata Boulevard, Golden Valley, MN 55416, by hand or by certified mail. Employee further understands that if she rescinds this Release on a timely basis, then the Company will have no obligation to pay her any of the monies or benefits which Employee would have otherwise received under Section 1 of the Confidential Transition

Agreement to which this Release was attached as Exhibit A. Except as stated in such Agreement, Employee warrants that (a) no promise or inducement has been offered for this Release; (b) this Release is executed without reliance upon any statement or representation of the Company or its representatives concerning the nature and extent of any claims or liability therefor, if any; (c) Employee is legally competent to execute this Release and accepts full responsibility therefor; (d) the Company has advised Employee to consult with an attorney; (e) the Company has allowed Employee at least twenty-one (21) days within which to consider this Release; and (f) Employee fully understands this Release and has had a sufficient opportunity to be advised by counsel of the consequences of signing this Release.

EMPLOYEE

Dated: March 15, 2018

/s/ Angela D. Jilek

Certification

I, Randall J. Hogan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pentair plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 20, 2018

/s/ Randall J. Hogan

Randall J. Hogan

Chairman and Chief Executive Officer

Certification

I, John L. Stauch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pentair plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 20, 2018

/s/ John L. Stauch

John L. Stauch

Executive Vice President and Chief Financial Officer

**Certification of CEO Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 Of The Sarbanes-Oxley Act Of 2002**

In connection with the Quarterly Report of Pentair plc (the "Company") on Form 10-Q for the period ended March 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Randall J. Hogan, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: April 20, 2018

/s/ Randall J. Hogan

Randall J. Hogan

Chairman and Chief Executive Officer

**Certification of CFO Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 Of The Sarbanes-Oxley Act Of 2002**

In connection with the Quarterly Report of Pentair plc (the "Company") on Form 10-Q for the period ended March 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John L. Stauch, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: April 20, 2018

/s/ John L. Stauch

John L. Stauch

Executive Vice President and Chief Financial Officer