

Related-Person Transactions Approval Policy

This related-person transactions approval policy (the “Policy”) of Pentair, Inc. (“Pentair”) contains the policies and procedures governing Related-Person Transactions (as defined below). This policy is adopted in order to clearly set forth Pentair’s procedures for handling potentially conflicting transactions in conformity with New York Stock Exchange (“NYSE”) and Securities and Exchange Commission (“SEC”) rules and regulations. This Policy will be posted on the Company website. Where capitalized terms are used in this Policy but not defined herein, those terms shall have the meanings ascribed to them in the Minnesota Business Corporation Act (the “Act”) or the rules and regulations promulgated by the NYSE or the SEC, as applicable.

I. Purpose and Application

The purpose of the Policy is to provide guidance on the review, approval and ratification of Related-Person Transactions. Certain Related-Person Transactions must be disclosed pursuant to Item 404 of Regulation S-K of the Securities and Exchange Commission (“SEC”) in Pentair’s filings with the SEC.

While it is understood that Related-Person Transactions may occur, and may be appropriate transaction for Pentair to enter into, all employees and directors must nonetheless abide by the applicable provisions in the Pentair Code of Business Conduct and Ethics (the “Code of Conduct”), which provides that personal conflicts of interest (*i.e.*, when an individual’s personal interest interferes or appears to interfere with the interests of Pentair) should, wherever possible, be avoided. In addition, for certain transactions between Pentair (and its subsidiaries) and directors (or their affiliated organizations), Pentair must seek approval for the transaction from Pentair’s Board of Directors (the “Board”), or a duly authorized committee of the Board, in accordance with Section 255 of the Minnesota Business Corporation Act.

Finally, SEC rules and New York Stock Exchange listing standards require the Board annually to assess whether relationships or transactions exist that may be relevant to the determination of whether Pentair directors are independent under NYSE listing standards. This independence determination is made by the Board in accordance with Pentair’s Corporate Governance Principles (as in effect from time to time) and a director’s independence may be affected by his or her engaging in a Related-Person Transaction.

II. General Restrictions

Prohibitions Related to Transactions

All Related-Person Transactions are prohibited, unless approved or ratified by the Governance Committee of the Board (the “Committee”) in accordance with the procedures

set forth in this Policy. A Related-Person Transaction entered into without pre-approval of the Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is notified to the Committee as promptly as reasonably practical after it is entered into or brought to the attention of the Office of the General Counsel, and is thereafter ratified by the Committee. Every Related-Person Transaction to which Pentair or any of its subsidiaries is a participant (*i.e.*, either Pentair or any of its subsidiaries is a party to the transaction or benefits from the transaction) shall be deemed to include as a condition that it be approved or ratified in accordance with this Policy.

Definition of Related-Person Transactions

A “Related-Person Transaction” includes the following:

- Any transaction¹ directly or indirectly involving a **director, executive officer or five-percent shareholder² or any of their respective defined family members**, in which Pentair or its subsidiaries is directly or indirectly a participant and the amount involved exceeds \$50,000.
- Any amendment or modification to an existing Related-Person Transaction.
- Any transaction or relationship involving a **director** that is not deemed to be immaterial under Pentair’s standards for director independence as then in effect.

Notwithstanding the foregoing, the following shall not be Related-Person Transactions:

- Indemnification and advancement of expenses payments made pursuant to the Act, Pentair’s Articles of Incorporation or By-laws or pursuant to any agreement or instrument entered into prior to the occurrence of an event giving rise to such indemnification or advancement; or
- Any transaction that involves the providing of compensation to a director or executive officer in connection with his or her duties to Pentair or any

¹ “Transaction” for this purpose includes, but is not limited to, any financial transaction, arrangement or relationship, including any series of similar transactions, arrangements or relationships.

² “Director” means any member of the Board of Pentair and any nominee for director. “Executive Officer” has the meaning used in Rule 3b-7 under the Securities Exchange Act of 1934 (the “Exchange Act”). For the purpose of this Policy, “five-percent shareholder” means any security holder who is known to own of record or beneficially more than five percent of any class of the Pentair’s voting securities and who has filed a Schedule 13D under the Exchange Act and shall not mean any other security holder (including a security holder that has filed a Schedule 13G under the Exchange Act); provided however, that the Office of the General Counsel may determine that transactions with certain other security holders should be considered by the Committee depending on the facts and circumstances. “Immediate family member” means any child, stepchild, parent, stepparent, spouse, sibling, mothers and fathers-in-law, sons and daughters-in-law and any person (other than a tenant or employee) sharing the same household as the directors, executive officer or “five-percent shareholder”.

of its subsidiaries, including the reimbursement of business expenses incurred in the ordinary course and benefits under any agreement of employment or severance.

Directors, executive officers and employees should consult with the Office of the General Counsel as to any questions of whether a transaction could be considered a Related-Person Transaction, including the application of item 404(a) of Regulation S-K.

III. Procedures

Identification of Potential Related-Person Transactions

Related-Person Transactions will be brought to the attention of the General Counsel and, ultimately, the Committee in a number of ways. As a general matter, pursuant to Pentair's Code of Conduct, any material transaction, arrangement or relationship that could reasonably be expected to give rise to a conflict of interest should be discussed with the Director of Business Conduct and Ethics or the Office of the General Counsel. Each of Pentair's directors and executive officers also completes a questionnaire on an annual basis designed to elicit information about any potential Related-Person Transactions. In the event of a good faith failure to seek approval or ratification of a proposed transaction, approval or ratification should be sought as soon as the director or executive officer involved in such transaction, or any other employee, becomes aware of such failure.

Any potential Related-Person Transaction that is raised will be analyzed by the Office of the General Counsel, in consultation with management and with outside counsel, as appropriate, to determine whether the transaction or relationship constitutes a Related-Person Transaction requiring compliance with this Policy.

Review and Approval of Related-Person Transactions

Related-Person Transactions that are brought to the attention of the Office of the General Counsel shall be submitted for consideration by the Committee in accordance with consideration of the approval factors described below. The presentation to the Committee shall include a description of the participants, the terms of the transaction, the business purpose of the transactions, the benefits to Pentair and to the relevant director, executive officer or five-percent shareholder.

In determining whether to approve a Related-Person Transaction, the Committee will consider the following factors, among others, to the extent deemed relevant by the Committee to the Related-Person Transaction:

- whether the terms of the Related-Person Transaction are fair to Pentair and on terms at least as favorable as would apply if the other party was not or did not have an affiliation with a director, executive officer or five-percent shareholder of Pentair;
- whether there are demonstrable business reasons for Pentair to enter into the Related-Person Transaction;

- whether the Related-Person Transaction could impair the independence of a director under the Corporate Governance Principles' standards for director independence; and
- whether the Related-Person Transaction would present an improper conflict of interest for any director or executive officer of Pentair, taking into account the size of the transaction, the overall financial position of the director or executive officer, the direct or indirect nature of the interest of the director or executive officer in the transaction, the ongoing nature of any proposed relationship, and any other factors the Committee deems relevant.

Any member of the Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the Related-Person Transaction, but may, if so requested by the Chairperson of the Committee, participate in some or all of the Committee's discussions of the Related-Person Transaction.

Any Related-Person Transaction that is not approved or ratified, as the case may be, shall be voided, terminated or amended, or such other actions shall be taken, in each case as determined by the Committee so as to avoid or otherwise address any resulting conflict of interest.