

# Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

## Part I Reporting Issuer

|  |   |  |                      |
|--|---|--|----------------------|
| 1 Issuer's name<br><b>Pentair Ltd.</b>   |   | 2 Issuer's employer identification number (EIN)<br><b>98-1050812</b>                             |                      |
| 3 Name of contact for additional information<br><b>Investor Relations</b>  | 4 Telephone No. of contact<br><b>(763) 545-1730</b> | 5 Email address of contact   |                      |
| 6 Number and street (or P.O. box if mail is not delivered to street address) of contact<br><b>Freier Platz 10, CH-8200</b> |   | 7 City, town, or post office, state, and Zip code of contact<br><b>Schaffhausen, Switzerland</b> |                      |
| 8 Date of action<br><b>June 3, 2014</b>  |   | 9 Classification and description<br><b>Common Stock</b>  |                      |
| 10 CUSIP number<br><b>H6169Q108</b>  | 11 Serial number(s)                                 | 12 Ticker symbol<br><b>PNR</b>   | 13 Account number(s) |

## Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

- 14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► **See Statement**

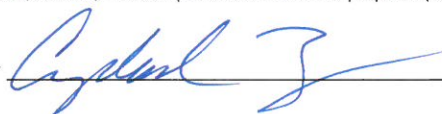
- 15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► **See Statement**

- 16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► **See Statement**

**Part II Organizational Action** (continued)**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ **See Statement****18** Can any resulting loss be recognized? ▶ **See Statement****19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **See Statement****Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶



Date ▶

6/5/2014Print your name ▶ **Angela D. Lageson**Title ▶ **Secretary****Paid  
Preparer  
Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if  
self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

**Pentair Ltd. Merger with Pentair plc on June 3, 2014**  
**Tax Reporting Statement Under Section 6045B of the Internal Revenue Code**

Effective January 1, 2011 issuers of corporate stock must begin reporting corporate actions that affect stock basis, including but not limited to mergers, stock splits, stock dividends, recapitalizations and distributions in excess of cumulative earnings and profits. The following is intended to meet the requirements of public disclosure pursuant to Treasury Regulations § 1.6045B-1(a)(3) and (b)(4) for Pentair Ltd.

**Issuer:**

Pentair Ltd.

**Issuer TIN:**

98-1050812

**14. Description of Organizational Action:**

On June 3, 2014, Pentair Ltd., a corporation limited by shares (*Aktiengesellschaft*) organized under the laws of Switzerland, merged with and into Pentair plc, an Irish Public Limited Company, with Pentair plc surviving (the "Merger"). Pursuant to the Merger, each holder of an outstanding common share of Pentair Ltd. received one newly issued ordinary share of Pentair plc in exchange for each common share of Pentair Ltd. held immediately prior to the Merger and all shares of Pentair Ltd. were cancelled.

**Securities Involved:**

Pentair Ltd. Common Stock

CUSIP: H6169Q 108

NYSE Ticker Symbol: PNR

Pentair plc Ordinary Shares

CUSIP: G7S00T 104

NYSE Ticker Symbol: PNR

**15. Effect of the Action:**

The Issuer believes that the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). As such, shareholders of Pentair Ltd. will not recognize any gain or loss, or include any amount in income, for U.S. federal income tax purposes as a result of the Merger, other than for any Specified Shareholder as defined in the immediately following sentence. For purposes of this summary, a Specified Shareholder is a shareholder of Pentair Ltd. that has entered into, or will enter into, a gain recognition agreement with the IRS relating to any transaction in which such shareholder acquired Pentair Ltd. common shares prior to the Merger. A Specified Shareholder may be able to take certain actions

(such as entering into a new gain recognition agreement) that would prevent the Merger from triggering the shareholder's gain recognition agreement. Any Specified Shareholder is encouraged to consult its tax advisor with respect to the effect of the Merger on such shareholder's gain recognition agreement.

Assuming that the Merger qualifies as a reorganization with the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, the Merger will have the following U.S. federal income tax consequences to a Pentair Ltd. shareholder (other than a Specified Shareholder):

- The shareholder will not recognize gain or loss on the exchange of its Pentair Ltd. common shares solely for Pentair plc ordinary shares;
- The shareholder's tax basis in Pentair plc ordinary shares received in the Merger will be the same as the shareholder's tax basis in Pentair Ltd. common shares exchanged therefor;
- The shareholder's holding period for Pentair plc ordinary shares received in the Merger will include the shareholder's holding period for the Pentair Ltd. common shares exchanged therefor.

WE URGE YOU TO CONSULT YOUR OWN TAX ADVISOR REGARDING YOUR PARTICULAR TAX CONSEQUENCES.

**16. Calculation of Change in Basis:**

Not applicable. See Item 15.

**17. Applicable Code Sections:**

Code Sections 354(a)(1), 358(a)(1), 367(b)(2), 368(a), 368(b) and 1223(1).

**18. Can Any Resulting Loss Be Recognized?**

No.

**19. Other Information, such as Reportable Tax Year:**

Not applicable. See Item 15.

**Contact Person:**

If you have any questions, please contact:

Pentair plc  
Investor Relations  
5500 Wayzata Blvd. Ste 800  
Golden Valley, MN 55416

Phone: (763) 545-1730

United States shareholders are urged to consult their own tax advisors with respect to the determination of gain recognized on the exchange of their shares of Pentair Ltd. common stock (as well as their basis in the shares of Pentair plc ordinary stock received in the transaction) taking into account their particular circumstances.

**UNITED STATES INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE:**

**You should be aware that:**

- (A) the discussion with respect to U.S. federal tax matters in these documents was not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer;**
- (B) such discussion was not written in connection with the promotion or marketing (within the meaning of IRS Circular 230) of the transactions or matters addressed by such discussion; and**
- (C) each taxpayer should seek advice based on its particular circumstances from an independent tax advisor.**