

PENTAIR LTD AGM Date: 2013-04-29

1a Elect T. Michael Glenn **For**

1b Elect David H. Y. Ho **For**

1c Elect Ronald L. Merriman **Oppose**

Independent Non-Executive Director with term expiring at the 2016 annual general meeting. However, Mr. Merriman has been on the Board for almost nine years and as the Board is classified he would have been on the Board for almost 12 years the next time he stands for election. In our opinion there is insufficient independence on the Board.

2 Receive the Annual Report **For**

3 Discharge the Board **For**

4a Appoint the auditors - Deloitte AG **Abstain**

To re-elect Deloitte AG as statutory auditors until the next annual general meeting. The directors must elect a firm as statutory auditor as required under Swiss law. The total unacceptable non-audit fees were approximately 47.9% of audit and audit related fees during the year under review. Non-audit fees over a three-year period were approximately 39.7% of audit and audit related fees. There are concerns that this level of non-audit fees creates a potential for a conflict of interest on the part of the independent auditor.

4b Appoint the auditors - Deloitte & Touche LLP **Abstain**

To ratify appointment of Deloitte & Touche LLP as independent registered public accounting firm for the year ending December 31, 2013. To re-elect Deloitte AG as statutory auditors until the next annual general meeting. The directors must elect a firm for U.S. related federal securities law. The total unacceptable non-audit fees were approximately 47.9% of audit and audit related fees during the year under review. Non-audit fees over a three-year period were approximately 39.7% of audit and audit related fees. There are concerns that this level of non-audit fees creates a potential for a conflict of interest on the part of the independent auditor.

4c Appoint the auditors - PricewaterhouseCoopers AG **For**

5a Approve the results **For**

5b Approve the dividend **For**

6 Approve Pay Structure **Oppose**

The Company has submitted a proposal for shareholder ratification of its executive compensation policy and practices. The Company provided improved disclosure of performance targets attached to short- and long-term incentive schemes, which is commended.

Despite the introduction of more challenging performance targets, the vesting scales for Stock Options and RSUs are still of concern. It is also noted that the combined Chairman and CEO, Mr Randall J. Hogan, which is considered to be largely excessive.

"Double-trigger" provision for severance and change-of-control have been extended to CEO's contract. Note: The 2012 'say-on-pay vote' received an oppose vote of approximately 17.5%

7 Approve incentive plan

Oppose

To approve performance goals and related matters under the Pentair Ltd. 2012 Stock and Incentive Plan. The Board proposes that the material terms of the performance goals under our 2012 Stock and Incentive Plan (the "2012 Plan") be approved for purposes of qualifying compensation awarded under the 2012 Plan as performance-based compensation under Section 162(m) of the U.S. Internal Revenue Code. The 2012 Plan authorizes the grant of stock options, stock appreciation rights, performance shares, performance units, restricted stock, restricted stock units, deferred stock rights, annual incentive awards, dividend equivalent units, and other equity-based awards to our and our affiliates' eligible employees, consultants and directors. There are currently approximately 980 employees and 11 non-employee directors who are eligible to participate in the 2012 Plan. The 2012 Plan provides that they may issue up to 9,000,000 common shares.

Although there are individual caps for various elements, including; stock appreciation rights of no more than 750,000 shares; 500,000 restricted stock units; 500,000 performance shares and/or awards of performance units or \$3,000,000 per annum; and no more than \$3,500,000 for annual performance award, in aggregate the awards for an individual are potentially excessive. Additionally, it is considered that all executive incentive compensation plans should exhibit a clear link between reward and performance and clear specific performance criteria and targets have not been provided.