

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the Fiscal Year Ended December 31, 2022

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

(State or other jurisdiction of incorporation or organization)

98-1141328

(I.R.S. Employer Identification number)

Regal House, 70 London Road,

Twickenham,

London,

TW13QS

United Kingdom

(Address of principal executive offices)

Registrant's telephone number, including area code: 44-74-9421-6154

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Ordinary Shares, nominal value \$0.01 per share

Trading Symbol(s)

PNR

Name of each exchange on which registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes

No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the 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

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

Aggregate market value of voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of \$45.77 per share as reported on the New York Stock Exchange on June 30, 2022 (the last business day of Registrant's most recently completed second quarter): \$7,452,025,298.

The number of shares outstanding of Registrant's only class of common stock on December 31, 2022 was 164,542,943.

DOCUMENTS INCORPORATED BY REFERENCE

Parts of the Registrant's definitive proxy statement for its annual general meeting to be held on May 9, 2023, are incorporated by reference in this Form 10-K in response to Part III, ITEM 10, 11, 12, 13 and 14.

Pentair plc  
Annual Report on Form 10-K  
For the Year Ended December 31, 2022

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## PART I

### ITEM 1. BUSINESS

Unless the context otherwise indicates, references herein to “Pentair,” the “Company,” and such words as “we,” “us,” and “our” include Pentair plc and its consolidated subsidiaries.

#### GENERAL

At Pentair, we help the world sustainably move, improve and enjoy water, life’s most essential resource. From our residential and commercial water solutions to industrial water management and everything in between, Pentair is focused on creating a better world for people and our planet through smart, sustainable water solutions.

#### *Pentair strategy*

Our vision is to be the world’s most valued sustainable water solutions company for our employees, customers and shareholders. As a company, we:

- Focus on growth in our core businesses and strategic initiatives;
- Accelerate digital, innovation, technology and environmental, social and governance (“ESG”) investments;
- Expedite growth and drive margin expansion through our transformation program; and
- Build a high performance growth culture and deliver on our commitments while living our Win Right values.

#### HISTORY AND DEVELOPMENT

We are an Irish public limited company that was formed in 2014. We are the successor to Pentair Ltd., a Swiss corporation formed in 2012, and Pentair, Inc., a Minnesota corporation formed in 1966 and our wholly-owned subsidiary, under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Although our jurisdiction of organization is Ireland, we manage our affairs so that we are centrally managed and controlled in the United Kingdom (the “U.K.”) and therefore have our tax residency in the U.K.

On July 28, 2022, as part of our Consumer Solutions reporting segment, we acquired the issued and outstanding equity securities of certain subsidiaries of Welbilt, Inc. (“Welbilt”) and certain other assets, rights, and properties, and assumed certain liabilities, comprising Welbilt’s Manitowoc Ice business (“Manitowoc Ice”), for approximately \$1.6 billion in cash.

Our registered principal office is located at Regal House, 70 London Road, Twickenham, London, TW13QS United Kingdom. Our management office in the United States (“U.S.”) is located at 5500 Wayzata Boulevard, Suite 900, Golden Valley, Minnesota.

#### BUSINESS AND PRODUCTS

The following is a brief description of each of the Company’s 2022 reportable segments and business activities. Effective January 1, 2023, we reorganized our segments, going from two segments to three with the three segments being Pool, Water Solutions and Industrial & Flow Technologies. The discussions below that speak to historical periods refer to the prior segments, while statements about present and future periods refer to the businesses underlying those segments and carry forward with those businesses (including our customers, seasonality and competition) in their re-segmented form. Additional information regarding this re-segmentation is found below under the section titled “New Segmentation.”

#### Consumer Solutions

The Consumer Solutions segment designs, manufactures and sells energy-efficient residential and commercial pool equipment and accessories, and commercial and residential water treatment products and systems. Residential and commercial pool equipment and accessories include pumps, filters, heaters, lights, automatic controls, automatic cleaners, maintenance equipment and pool accessories. Water treatment products and systems include pressure tanks, control valves, activated carbon products, commercial ice machines, conventional filtration products, and point-of-entry and point-of-use systems. Applications for our pool business’s products include residential and commercial pool maintenance, repair, renovation, service and construction. Our water treatment products and systems are used in residential whole home water filtration, drinking water filtration and water softening solutions in addition to commercial total water management and filtration in food service operations. In addition, our water solutions business also provides installation and preventative services for water management solutions for commercial operators. The primary focus of this segment is business-to-consumer.

For the fiscal year ended December 31, 2022, our pool business comprised approximately 60% of the Consumer Solutions sales. The pool business is a leader in North American pool equipment, serving an end market that is primarily replacement.

The other approximately 40% of sales were from the water treatment and water solutions businesses, which sell residential and commercial components, residential systems, commercial systems and commercial ice machines.

Consumer Solutions brand names include Everpure, KBI, Kreepy Krauly, Manitowoc Ice, Pleatco, RainSoft and Sta-Rite.

**Customers**

Consumer Solutions customers include businesses engaged in wholesale and retail distribution in the residential and commercial vertical markets. Customers also include end-users, consumers, commercial operators and original equipment manufacturers.

One customer in the Consumer Solutions' pool business represented approximately 20% of our consolidated net sales in 2022 and 2021.

**Seasonality**

We have historically experienced seasonal demand with several end-customers and end-users within Consumer Solutions. End-user demand for pool equipment follows warm weather trends and historically has been at seasonal highs from April to August. The magnitude of the sales spike has historically been partially mitigated by employing some advance sale "early buy" programs (generally including extended payment terms and/or additional discounts).

**Competition**

Consumer Solutions faces numerous domestic and international competitors, some of which have substantially greater resources directed to the vertical markets in which we compete. Competition focuses on brand names, product performance (including energy-efficient offerings and required specifications), quality, service and price. We compete by offering a wide variety of innovative and high-quality products, which are competitively priced. We believe our distribution channels and reputation for quality also provide us a competitive advantage.

**Industrial & Flow Technologies**

The Industrial & Flow Technologies segment manufactures and sells a variety of fluid treatment products (advanced membrane filtration, separation systems, membrane bioreactors), pumps (water supply pumps, water disposal pumps, solid handling pumps, fluid transfer pumps, turbine pumps), valves, and spray nozzles as well as systems combining these products (process filtration systems, gas recovery solutions). These products and systems serve the global residential, commercial, industrial, agricultural and infrastructure vertical markets. They are used in a range of applications, food and beverage, fluid separation technologies (oil and gas and other industries), water and wastewater treatment, water wells, pressure boosting, fire suppression, flood control, agricultural irrigation, crop spray and fluid circulation and transfer. The primary focus of this segment is business-to-business.

For the fiscal year ended December 31, 2022, our residential and irrigation flow businesses comprised approximately 45% of the Industrial & Flow Technologies sales. The residential and irrigation flow businesses sell pumps focused on residential and agriculture. Another approximately 25% of sales were from the commercial & infrastructure flow businesses, which sell larger pumps focused on fire suppression, waste water and flood control. The remaining approximately 30% of sales were from the industrial solutions business, comprised of applications focused on industrial process filtration and sustainable gas.

Industrial & Flow Technologies brand names include Pentair, Aurora, Berkeley, Codeline, Fairbanks-Nijhuis, Haffmans, Hydromatic, Hypro, Jung Pumpen, Myers, Sta-Rite, Shurflo, S✓dmo and X-Flow.

**Customers**

Industrial & Flow Technologies customers include businesses engaged with end users, and wholesale and retail distribution in the residential, commercial, food & beverage and industrial vertical markets.

**Seasonality**

We have historically experienced increased demand for residential water supply and irrigation pumps following weather trends, which historically has been at seasonal highs from April to August. Seasonal effects may vary from year to year and are impacted by weather patterns, particularly by temperatures, heavy flooding and droughts.

**Competition**

Industrial & Flow Technologies faces numerous domestic and international competitors, some of which have substantially greater resources directed to the vertical markets in which we compete. Competition focuses on brand names, product performance (including energy-efficient offerings and required specifications), quality, service and price. We compete by offering a wide variety of innovative and high-quality products, which are competitively priced.

## NEW SEGMENTATION

Effective January 1, 2023, we reorganized our reporting segments to reflect how we are managing our business beginning in 2023. We believe the new alignment into three segments, Pool, Water Solutions and Industrial & Flow Technologies, will help us accelerate our efforts to improve customer experiences, differentiate our products and drive profitability for our shareholders.

As part of this reorganization, the legacy Consumer Solutions segment was divided into a Pool segment and a Water Solutions segment. The Industrial & Flow Technologies segment remains the same. All segment information presented throughout this Annual Report on Form 10-K, with the exception of the table below, was prepared based on the reporting segments in place during 2022.

The below table presents net sales and segment income under the revised reporting segments (Pool, Water Solutions, and Industrial & Flow Technologies) for the years ended December 31, 2022, 2021 and 2020.

<i>In millions</i>	December 31		
	2022	2021	2020
<b>Net Sales</b>			
Pool	\$ 1,632.7	\$ 1,572.0	\$ 1,123.5
Water Solutions	986.8	769.9	619.4
Industrial & Flow Technologies	1,500.8	1,421.4	1,273.6
Other	1.5	1.5	1.3
Consolidated	\$ 4,121.8	\$ 3,764.8	\$ 3,017.8
<b>Segment income (loss)</b>			
Pool	\$ 462.1	\$ 452.7	\$ 321.4
Water Solutions	149.0	101.7	97.7
Industrial & Flow Technologies	242.3	213.3	164.6
Other	(85.7)	(81.8)	(66.1)
Consolidated	\$ 767.7	\$ 685.9	\$ 517.6

## INFORMATION REGARDING ALL REPORTABLE SEGMENTS

### **Research and development**

We conduct research and development activities primarily in our own facilities. These efforts consist mostly of the development of new products, product applications and manufacturing processes.

### **Raw materials**

The principal materials we use in manufacturing our products are mild steel, stainless steel, electronic components (including drives and motors), plastics (resins, fiberglass, epoxies), copper and paint (powder and liquid). In addition to the purchase of raw materials, we purchase some finished goods for distribution for resale.

We purchase the materials we use in various manufacturing processes on the open market, and the majority are available through multiple sources. Supplier capabilities were stressed in 2022 and 2021 compared to previous years as a result of various degrees of supply chain challenges, including reduced labor availability and increased lead times for electronic components and other raw materials due to availability constraints and high demand. We have certain long-term commitments, principally price commitments, for the purchase of various component parts and raw materials and continue to work with our suppliers to maintain delivery continuity. Alternate sources of supply are available for most materials and we believe that the termination of any of these commitments would not have a material adverse effect on our financial position, results of operations or cash flows.

Certain commodities, such as metals and resins, are subject to commodity market and duty-driven price fluctuations. We manage these fluctuations through several mechanisms, including long-term agreements with price adjustment clauses for significant commodity market movements in certain circumstances. Prices for raw materials, such as metals, resins and electronics, may trend higher in the near future due to the existing inflationary market trends.

**Intellectual property**

Patents, non-compete agreements, proprietary technologies, customer relationships, trademarks, trade names and brand names are important to our business. However, we do not regard our business as being materially dependent upon any single patent, non-compete agreement, proprietary technology, customer relationship, trademark, trade name or brand name.

Patents, patent applications and license agreements will expire or terminate over time by operation of law, in accordance with their terms or otherwise. We do not expect the termination of patents, patent applications or license agreements to have a material adverse effect on our financial position, results of operations or cash flows.

**Human capital resources**

We believe our success depends on our ability to attract, develop and retain strong employees. We believe a deep-rooted culture energizes our employees to make a difference within and beyond the workplace. We strive to be the destination for top talent, and work hard to develop and retain high performers throughout their career. We also believe our Win Right values, positive culture and commitment to inclusion and diversity foster innovation and curiosity, which, in turn, contribute to us being an industry leader.

As of December 31, 2022, we had approximately 11,250 employees worldwide, of which approximately 53% are located in the U.S. A small portion of our U.S. employees are unionized, while outside the U.S., we have employees in certain countries, particularly in Europe, that are represented by an employee representative organization, such as a union, works council or employee association.

**Employee engagement and development**

Engaging our employees and developing their careers is important to our long-term success and ties directly to our Win Right culture and values. We engage with our employees and gather feedback about our employee programs, practices and policies through various approaches that include: town hall meetings where Pentair leaders share strategies and perspectives; quarterly leadership webcasts to help ensure our results and expectations are clearly communicated; an annual global leadership meeting to help drive growth and productivity initiatives and share best practices; and a feedback feature on our employee intranet. In addition, we periodically conduct employee engagement and culture surveys to gauge the level of engagement and actions needed on culture, engagement and retention.

**Training and development**

To support employees in their career journey, we have developed and shared through our employee intranet a number of tools and resources. These resources include: live training sessions; on-demand eLearning and virtual classrooms; and downloadable materials. Additionally, our annual talent management process allows employees to build development plans with their leaders to advance their careers.

Our talent development efforts span across all levels of our organization, including our campus Leadership Development Program, a 36-month program in which future leaders participate in rotations intended to develop their capabilities through organization-wide exposure, and our Growth Manager development programs that prepare our new and experienced managers to be more effective and inclusive leaders at Pentair.

**Inclusion and diversity**

Our commitment to inclusion and diversity is part of living our Win Right values. Our success also depends on our ability to attract, engage and retain a diverse group of employees. We believe an inclusive and diverse workforce contributes different perspectives and innovative ideas that enable us to improve every day. We believe that every employee should be provided the same opportunity to be heard, respected, have a sense of belonging and contribute to our mission. Race, gender, ethnicity, country of origin, age, personal style, sexual orientation, physical ability, religion, life experiences and many more factors contribute to this diversity. Our Business Resource Groups have been put into place to help promote a culture of inclusion through employees providing feedback and sponsoring awareness, education and engagement.

Our statistics are a measure of our performance, and we are committed to advancing a diverse workplace. The following sets forth information regarding the diversity of our workforce as of December 31, 2022:

	Percent of workforce	Percent of leadership roles <sup>(3)</sup>
Minorities <sup>(1)</sup>	40%	25%
Women <sup>(2)</sup>	32%	32%

<sup>(1)</sup> Inclusive of the following racial minority groups: Black/African American, Hispanic/Latino, American Indian/Alaskan Native, Asian, Native Hawaiian/Other Pacific Islander. Data for U.S. employee population only.

<sup>(2)</sup> Global data.

<sup>(3)</sup> Leadership roles are those of employees who are director level and above.

We take an integrated approach to supporting and promoting workplace inclusion and diversity including: ensuring leadership involvement and ownership; attracting and retaining diverse talent at all levels; fostering a globally aware, inclusive culture; and ensuring our practices are fair and nondiscriminatory. In addition, we promote an inclusive and diverse workplace through: a training called the “The Power of Inclusion”; Business Resource Groups led by employees; Pentair’s Code of Business Conduct and Ethics; and an Inclusion and Diversity Hub on our company’s intranet.

#### *Health, safety and wellness*

We are committed to providing a safe workplace for all of our employees. We encourage employees to “Stop Work” anytime there is a potential concern regarding worker safety, and promote an open door policy so that all of our employees feel free to speak to their manager if there are any potential health, safety, compliance or sustainability concerns. Additionally, each site maintains a confidential reporting process, and we encourage the use of the Ethics Hotline for employees to report anonymously potential safety concerns. All locations, enterprise wide, must meet and/or exceed regulatory agency standards as applicable to each plant’s location.

#### *Compensation and benefits*

In the U.S., all non-union full-time employees are eligible to receive the following benefits: short-term and long-term disability insurance; flexible and health savings accounts and wellness programs; health insurance (medical, pharmacy, dental); eight weeks paid parental leave for birth, adoptive and foster parents; two weeks paid caregiver leave; legal services; retirement benefits; stock ownership; tuition reimbursement; holidays; vacation and sick time. Union employee benefits vary by contract.

#### *ESG (Environmental, Social and Governance) Activities*

As a leading provider of water treatment and sustainable solutions and with a foundation of Win Right values, we recognize that the work we do and the products and services we provide help to improve lives and the environment around the world. Pentair strives to be a positive influence on the social and environmental issues of today. As we progress, we are focused on building on our Win Right values and culture by further contributing to the development of a sustainable and responsible society that we believe will also drive our future growth. We are also focused on further integrating our ESG goals throughout our business by creating broad accountability for our social responsibility strategy and creating shared commitments and targets. We have established a formal social responsibility program to further advance our social responsibility goals. In 2020, Pentair completed a formal ESG assessment to identify ESG topics of importance to our shareholders, customers, suppliers, employees and communities. Through engagement with these stakeholders, internal business leaders and subject matter experts, we identified ESG goals, which ultimately culminated into Pentair’s Social Responsibility Targets, which we announced in 2021.

Annually, we publish a corporate responsibility report on our ESG and social responsibility activities and accomplishments, which can be found on our corporate website, and which is not incorporated by reference into this Annual Report on Form 10-K.

#### *Environmental Matters*

See ITEM 1A “Risk Factors - We are exposed to potential environmental laws, liabilities and litigation.”

#### *Captive insurance subsidiary*

A portion of our property and casualty insurance program is insured through our regulated wholly-owned captive insurance subsidiary, Penwald Insurance Company (“Penwald”). Reserves for policy claims are established based on actuarial projections of ultimate losses. Accruals with respect to liabilities insured by third parties, such as liabilities arising from acquired businesses, pre-Penwald liabilities and those of certain non-U.S. operations, are established.

Matters pertaining to Penwald are discussed in ITEM 8, Note 1 of the Notes to Consolidated Financial Statements – Insurance subsidiary, included in this Form 10-K.

**Available information**

We make available free of charge (other than an investor's own Internet access charges) through our Internet website (<https://www.pentair.com>) our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the "SEC"). Reports of beneficial ownership filed by our directors and executive officers pursuant to Section 16(a) of the Exchange Act are also available on our website. We are not including the information contained on our website as part of, or incorporating it by reference into, this Annual Report on Form 10-K.

In addition, the SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, and you may access any materials we file with the SEC through their website at [www.sec.gov](http://www.sec.gov).

**ITEM 1A. RISK FACTORS**

You should carefully consider all of the information in this document and the following risk factors before making an investment decision regarding our securities. Any of the following risks could materially and adversely affect our business, financial condition, results of operations, cash flows and the actual outcome of matters as to which forward-looking statements are made in this document.

**Risks Relating to Our Business*****General global economic and business conditions affect demand for our products.***

We compete in various geographic regions and product markets around the world. Among these, the most significant are global industrial, commercial, and residential markets. We have experienced, and expect to continue to experience, fluctuations in revenues and results of operations due to economic and business cycles. In particular, during 2021, we had higher than anticipated demand in our pool business and certain parts of our residential and commercial businesses. However, such demand in our pool and other residential businesses declined during 2022 and may not be repeated in future periods. Important factors for our businesses and the businesses of our customers include the overall strength of the global economy and various regional economies and our customers' confidence in these economies, industrial and governmental capital spending, the strength of residential and commercial real estate markets, residential housing markets, the commercial business climate, global supply chain stability, unemployment rates, availability of consumer and commercial financing, interest rates, inflation rates, and energy and commodity prices. Recessions, economic downturns, inflation, slowing economic growth and social and political instability in the industries and/or markets where we compete could negatively affect our revenues and financial performance in future periods, result in future restructuring charges, and adversely impact our ability to grow or sustain our business. For example, current macroeconomic and political instability caused by global supply chain disruptions, inflation, the strengthening of the U.S. dollar and the conflict between Russia and Ukraine, have and could continue to adversely impact our results of operations. The businesses of many of our industrial customers are to varying degrees cyclical and have experienced periodic downturns. While we attempt to minimize our exposure to economic or market fluctuations by serving a balanced mix of end markets and geographic regions, any of the above factors, individually or in the aggregate, or a significant or sustained downturn in a specific end market or geographic region could reduce demand for our products and services, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***We compete in attractive markets with a high level of competition, which may result in pressure on our profit margins and limit our ability to maintain or increase the market share of our products.***

The markets for our products and services are geographically diverse and highly competitive. We compete against large and well-established national and global companies, regional and local companies, diversified and pure-play companies, and lower cost manufacturers. Competition may also result from new entrants into the markets we serve offering products and/or services that compete with ours. We compete based on technical expertise, intellectual property, reputation for quality and reliability, timeliness of delivery, previous installation history, contractual terms, service offerings, customer experience and service, and price. Some of our competitors attempt to compete based primarily on price, localized expertise and local relationships, especially with respect to products and applications that do not require a great deal of engineering or technical expertise. In addition, during economic downturns, average selling prices tend to decrease as market participants compete more aggressively on price. Moreover, demand for our products, which impacts profit margins, is affected by changes in customer order patterns, such as changes in the levels of inventory maintained by customers and the timing of customer purchases, adoption of new technology and connected products, and changes in customers' preferences for our products, including the success of products offered by our competitors. Customer purchasing behavior may also shift by product mix in the market or result in a shift to new distribution channels. If we are unable to continue to differentiate our products, services and solutions or adapt to changes in customer purchasing behavior or shifts in distribution channels, or if we are unable to maintain our desired pricing or forced to incur additional costs to remain competitive, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Our future growth is dependent upon our ability to transform and adapt our products, services, solutions, and organization to meet the demands of local markets in both developed and emerging economies and by developing or acquiring new technologies that achieve market acceptance with acceptable margins.***

We operate in global markets that are characterized by customer demand that is often global in scope but localized in delivery. We compete with thousands of smaller regional and local companies that may be positioned to offer products produced at lower cost than ours, or to capitalize on highly localized relationships and knowledge that are difficult for us to replicate. Also, in several emerging markets, potential customers prefer local suppliers, in some cases because of existing relationships and in other cases because of local legal restrictions or incentives that favor local businesses. In addition, we need to be flexible to adapt our products to ever changing customer preferences, including those relating to regulatory, climate change and social responsibility matters. Accordingly, our future success depends upon a number of factors, including our ability to transform and adapt our products, services, solutions, organization, workforce and sales strategies to fit localities throughout the world, particularly in high growth emerging markets; identify emerging technological and other trends in our target end markets; and develop or acquire competitive technologies, products, services, and solutions and bring them to market quickly and cost-effectively. The failure to effectively adapt our products, services, or solutions could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***We may not be able to identify, finance and complete suitable acquisitions and investments, and any completed acquisitions and investments may be unsuccessful or consume significant resources.***

Our business strategy includes acquiring businesses and making investments that complement our existing businesses. We continue to analyze and evaluate the acquisition of strategic businesses or product lines with the potential to strengthen our industry position or enhance our existing set of product, service, and solution offerings. We may not be able to identify suitable acquisition candidates, obtain financing or have sufficient cash necessary for acquisitions or successfully complete acquisitions in the future. Acquisitions and investments may involve significant cash expenditures, debt incurrences, equity issuances, operating losses and expenses. Acquisitions involve numerous other risks, including:

- diversion of management time and attention from daily operations;
- difficulties integrating acquired businesses, technologies and personnel into our business;
- difficulties in obtaining and verifying the financial statements and other business information of acquired businesses;
- inability to obtain required regulatory approvals;
- potential loss of key employees, key contractual relationships or key customers of acquired companies or of ours;
- assumption of the liabilities and exposure to unforeseen liabilities of acquired companies; and
- dilution of interests of holders of our shares through the issuance of equity securities or equity-linked securities.

It may be difficult for us to integrate acquired businesses efficiently into our business operations. Any acquisitions or investments may not be successful or realize the intended benefits and may ultimately result in impairment charges or have a material adverse effect on our business, financial condition, results of operations and cash flows.

***We may not achieve some or all of the expected benefits of our business initiatives.***

During 2022 and 2021, we initiated and continued execution of certain business initiatives aimed at reducing our fixed cost structure and realigning our business. During 2021, we also launched and committed resources to a program designed to accelerate growth and drive margin expansion through transformation of our business model to drive operational excellence, reduce complexity and streamline our processes. As a result, we have incurred and expect to continue to incur in the future substantial expense, including transformation costs that include professional services, project management and related design and execution charges, as well as costs related to both labor and non-labor restructuring and IT investments, and restructuring charges. We may not be able to achieve accelerated growth and margin expansion or operating efficiencies to reduce costs or realize benefits that we anticipated in connection with these initiatives. If we are unable to execute these initiatives as planned, we may not realize all or any of the anticipated benefits, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***We may experience cost and other inflation.***

During 2022 and 2021, we experienced inflationary cost increases of raw materials, such as metals, resins and electronics (including drives and motors), as well as increases in logistics, energy, insurance and labor costs (including wages, pension and health care), and we expect inflationary cost increases to continue in 2023. We strive for productivity improvements and implement increases in selling prices to help mitigate cost increases. We continue to implement operational initiatives to mitigate the impacts of inflation and continuously reduce our costs. However, these actions may not be successful in managing our costs or increasing our productivity and we anticipate inflation to continue with respect to materials (especially resins, copper, steel, stainless steel and electronics) as well as labor and logistics. Continued cost inflation or failure of our initiatives to increase prices, generate cost savings or improve productivity could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Interruption of our supply chain could affect our ability to produce or deliver our products and could negatively impact our business and profitability.***

During 2022 and 2021, we experienced supply chain challenges, including increased lead times for raw materials due to availability constraints and high demand for these materials. These disruptions or our failure to effectively respond to them have increased and may continue to increase product, logistics or labor costs, limit availability of raw materials or cause delays in delivering our backlog or may cause an inability to deliver products to our customers or meet customer demand. While we have elevated our engagement with our suppliers and used secondary suppliers and new methods of procurement where available to mitigate the supply chain pressures, we expect supply chain challenges to continue in 2023. Any material interruption in our supply chain, such as material interruption of the supply of raw materials and components due to the casualty loss of any of our manufacturing plants; interruptions in service by our third-party logistic service providers or common carriers that ship goods within our distribution channels; unexpected delays in shipping or processing through customs of goods; trade restrictions, such as increased tariffs or quotas, embargoes or customs restrictions; or other unexpected or uncontrollable events that cause a material interruption in our supply chain such as pandemics (including COVID-19); social or labor unrest; natural disasters or political disputes and military conflicts; could negatively affect our ability to produce or deliver our products and have a negative material impact on our business and our profitability. Additionally, our raw materials and components are sourced from a wide variety of domestic and international business partners. We rely on these suppliers to provide high quality products and to comply with applicable laws. Our ability to find qualified suppliers who meet our standards and supply products in a timely and efficient manner may be a challenge, especially with respect to raw materials and components sourced from outside the U.S. and from countries or regions with diminished infrastructure, developing or failing economies or which are experiencing political instability or social unrest. For certain products, we may rely on one or very few suppliers. A supplier's failure to meet our standards, provide products in a timely and efficient manner, or comply with applicable laws is beyond our control. In addition, our competitors may be less reliant on third-party suppliers than we are, which may give such competitors more control over their supply chain and lead times for manufacturing products. These issues could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***The COVID-19 pandemic may have a material negative impact on our business, financial condition, results of operations and cash flows.***

Our business and financial results have been and may continue to be negatively impacted by the COVID-19 pandemic and its repercussions. The severity, magnitude and duration of the current COVID-19 pandemic remains uncertain, rapidly changing and hard to predict. In 2022, 2021 and 2020, the COVID-19 pandemic significantly impacted economic activity and markets around the world and our business, and it may negatively impact our business in numerous ways, including but not limited to those outlined below:

- Due to the impacts of the COVID-19 pandemic, we have experienced and may continue to experience reductions in customer demand for certain products and in certain end-markets.
- Our workforce may be unable or unwilling to work on-site or travel as a result of the continuing pandemic and related vaccine requirements, event cancellations, facility closures, shelter-in-place, travel and other restrictions and changes in industry practice, or if they, their co-workers or their family members become ill or otherwise require care arrangements. In addition, we have experienced disruptions at some of our facilities with higher absenteeism due to the COVID-19 pandemic.
- Government or regulatory responses to the COVID-19 pandemic have and may continue to negatively impact our business. Mandatory lockdowns or other restrictions on operations in some countries have previously temporarily disrupted our ability to manufacture in or distribute our products to or from some of these markets. A reoccurrence of these disruptions could materially adversely impact our operations and results. In addition to existing travel restrictions, jurisdictions may continue to close borders, impose increased vaccine or testing requirements, prolong quarantines and further restrict travel and business activity. These actions could cause related supply chain delays, which could significantly impact our ability to support our operations and customers, meet demand, develop new products, ship our backlog, impact the ability of our employees to get to their workplaces to produce products and services, or significantly hamper our products from moving through the supply chain.

We may not be able to predict or respond to all impacts of the COVID-19 pandemic on a timely basis to prevent near- or long-term adverse impacts to our results. There still remains much uncertainty around the COVID-19 pandemic and its duration, severity and ultimate impact; therefore, any negative impact on our business, financial condition (including without limitation our liquidity), results of operations and cash flows cannot be reasonably estimated at this time, but the COVID-19 pandemic could lead to extended disruption of economic activity and the impact on our business, financial condition, results of operations and cash flows could be material. The foregoing and other impacts of the COVID-19 pandemic could have the effect of heightening many of the other risks described herein and any of these impacts could materially adversely affect our business, financial condition, results of operations and cash flows.

***We are exposed to political, regulatory, economic, trade, and other risks that arise from operating a multinational business.***

Sales outside of the U.S. for the year ended December 31, 2022 accounted for 29% of our net sales. Further, most of our businesses obtain some products, components and raw materials from non-U.S. suppliers. Accordingly, our business is subject to the political, regulatory, economic, trade, and other risks that are inherent in operating in, and purchasing from, numerous countries. These risks include:

- changes in general economic and political conditions in countries where we operate, particularly in emerging markets;
- relatively more severe economic conditions in some international markets than in the U.S.;
- the imposition of sanctions, tariffs, duties, exchange controls, currency restrictions or other trade restrictions;
- changes in tax treaties, laws or rulings that could have a material adverse impact on our effective tax rate;
- the difficulty of enforcing agreements and collecting receivables through non-U.S. legal systems;
- the difficulty of communicating and monitoring evolving standards and directives across our product lines, services, and global facilities;
- the difficulty of ensuring that our products, services and supply chains meet ever-changing regional regulations and requirements;
- trade protection measures and import or export licensing requirements and restrictions;
- the possibility of military conflicts or terrorist action affecting us, our operations, supply chains or our end-markets;
- the threat of nationalization and expropriation;
- changes due to nationalist consumer sentiment;
- the difficulty in staffing and managing widespread operations in non-U.S. labor markets;
- limitations on repatriation of earnings or other regionally-imposed capital requirements;
- the difficulty of protecting intellectual property in non-U.S. countries; and
- changes in and required compliance with a variety of non-U.S. laws and regulations, some of which may be incompatible.

Our success depends in part on our ability to anticipate and effectively manage these and other risks. We cannot assure that these and other factors will not have a material adverse effect on our international operations or on our business as a whole.

***Changes in U.S. or foreign government administrative policy, including changes to existing trade agreements, could have a material adverse effect on us.***

As a result of changes to U.S. or foreign government administrative policy, there may be changes to existing trade agreements; greater restrictions on free trade generally; significant increases in tariffs on goods including those imported into the U.S., particularly tariffs on products manufactured in Mexico, China, or other countries where we purchase, have operations or manufacture or sell products; prohibitions or restrictions on doing business with certain entities, including those with certain relationships with China; and adverse responses by foreign governments to U.S. trade policy, among other possible changes. It remains unclear what the U.S. administration or foreign governments, including China, will or will not do with respect to tariffs or international trade agreements and policies. A trade war; other governmental action related to tariffs or international trade agreements; changes in U.S. social, political, regulatory and economic conditions or in laws and policies governing foreign trade, manufacturing, development and investment in the territories and countries where we currently purchase, have operations

or manufacture and sell products; and any resulting negative sentiments towards the U.S. as a result of such changes, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Intellectual property challenges may hinder our ability to develop, engineer and market our products.***

Patents, non-compete agreements, proprietary technologies, customer relationships, trademarks, trade names, and brand names are important to our business. Intellectual property protections, however, may not preclude competitors from developing products similar to ours, or from challenging our names or products. Our pending patent, copyright, and trademark registration applications, may not be accepted, or competitors may challenge the validity or scope of our patents, copyrights or trademarks. In addition, our patents, copyrights, trademarks and other intellectual property rights may not provide us a significant competitive advantage. Furthermore, our business strategy also includes expanding our smart products and Internet of Things offerings and there are many other companies that hold patents in this space. Over the past few years, we have noticed an increasing tendency for participants in our markets, including competitors, to use challenges to intellectual property as a means to compete. Patent and trademark challenges increase our costs to develop, engineer and market our products. We may need to spend significant resources monitoring, enforcing and defending our intellectual property rights, and we may or may not be able to detect infringement by third parties. If we fail to successfully enforce our intellectual property rights or register new patents, our competitive position could suffer, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***We have significant goodwill and intangible assets and future impairment of our goodwill and intangible assets could have a material adverse effect on our results of operations.***

We test goodwill and other indefinite-lived intangible assets for impairment on at least an annual basis, and more frequently if circumstances warrant. As of December 31, 2022, our goodwill and intangible assets were \$4,347.2 million and represented 67% of our total assets. Declines in fair market value could result in future goodwill and intangible asset impairment charges.

***A loss of, or material cancellation, reduction, or delay in purchases by or delivery of products to, one or more of our largest customers could harm our business.***

Our net sales to our largest customer represented approximately 20% of our consolidated net sales in 2022. While we do not have any other customers that accounted for more than 10% of our consolidated net sales in 2022, we have other customers that are key to the success of our business. Our concentration of sales to a relatively small number of larger customers makes our relationship with each of these customers important to our business. Our success is dependent on retaining these customers, which requires us to successfully manage relationships and anticipate the needs of our customers in the channels in which we sell our products. Our customers also may be impacted by economic conditions in the industries of those customers, which could result in reduced demand for or a delay in purchases of our products. In addition, our customers may cancel orders for purchases of our products or may not order products at rates consistent with past order levels, including due to inventory rebalancing or corrections in channels. In addition, we may not be able to timely deliver products to our largest customers due to supply chain interruptions or otherwise. We cannot provide assurance that we will be able to retain our largest customers. In addition, some of our customers may shift their purchases to our competitors in the future. The loss of one or more of our largest customers, any material cancellation, reduction, or delay in purchases by or delivery of products to these customers, or our inability to successfully develop relationships with additional customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Catastrophic and other events beyond our control may disrupt operations at our manufacturing facilities and those of our suppliers, which could cause us to be unable to meet customer demands or increase our costs, or reduce customer spending.***

If operations at any of our manufacturing facilities or those of our suppliers were to be disrupted as a result of significant equipment failures, natural disasters, earthquakes, power outages, fires, explosions, terrorism, military conflicts, cybersecurity attacks, adverse weather conditions, labor disputes, public health epidemics (including the COVID-19 pandemic) or other catastrophic events or disruptions outside of our control, we may be unable to fill customer orders and otherwise meet customer demand for our products. In particular, our pool business operations in North Carolina and California are in areas that are more susceptible to natural disasters such as hurricanes, wildfires, and earthquakes. These types of events may negatively impact residential, commercial and industrial spending in impacted regions or, depending on the severity, global spending. As a result, any of such events could have a material adverse effect on our business, financial condition, results of operations and cash flows. We maintain property insurance that we believe to be adequate to provide for reconstruction of facilities and equipment, and to cover business interruption losses resulting from any production interruption or shutdown caused by an insured loss. However, any recovery under our insurance policies may not offset the lost sales or increased costs that may be experienced during the disruption of operations, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Seasonality of sales and weather conditions could have a material adverse effect on our financial results.***

We experience seasonal demand with end-customers and end-users within each of our business segments. Demand for pool equipment in the pool business within the Consumer Solutions segment and residential water supply, infrastructure and agricultural products in the businesses within the Industrial & Flow Technologies segment follows warm weather trends and is at seasonal highs from April to August. While historically we have attempted to mitigate the magnitude of the sales spikes in

the pool business and in the businesses within the Industrial & Flow Technologies segment by employing some advance sale “early buy” programs (generally including extended payment terms and/or additional discounts), we cannot provide any assurance that should we use such programs in the future they will be successful. In addition, seasonal effects in the pool business and in the businesses within the Industrial & Flow Technologies segment may vary from year to year and be impacted by weather patterns, particularly by temperature, heavy flooding and droughts. Moreover, adverse weather conditions, such as cold or wet weather, may negatively impact demand for, and sales of, pool equipment in the pool business and residential water supply, commercial, infrastructure and agricultural products in the businesses within the Industrial & Flow Technologies segment.

***Volatility in currency exchange rates could have a material adverse effect on our financial condition, results of operations and cash flows.***

Sales outside of the U.S. for the year ended December 31, 2022 accounted for 29% of our net sales. Our financial statements reflect translation of items denominated in non-U.S. currencies to U.S. dollars. Therefore, if the U.S. dollar strengthens in relation to the principal non-U.S. currencies from which we derive revenue as compared to a prior period, our U.S. dollar reported revenue and income will effectively be decreased to the extent of the change in currency valuations, and vice-versa. During 2022, we experienced a reduction in revenue and profits as a result of the significant strengthening of the U.S. dollar against foreign currencies. Fluctuations in foreign currency exchange rates, most notably the strengthening of the U.S. dollar against the euro, could have a material adverse effect on our reported revenue in future periods. In addition, currency variations could have a material adverse effect on margins on sales of our products in countries outside of the U.S. and margins on sales of products that include components obtained from suppliers located outside of the U.S.

**Risks Relating to Our Debt and Financial Markets**

***Increased leverage may harm our business, financial condition and results of operations.***

As of December 31, 2022, we had \$2,339.3 million of total debt outstanding on a consolidated basis. Our indebtedness increased materially in connection with our acquisition of Manitowoc Ice, which we funded with approximately \$1.6 billion of new indebtedness. We and our subsidiaries may incur additional indebtedness in the future, subject to restrictions in our debt agreements. Our increased level of indebtedness and any future increases in our level of indebtedness may have important effects on our future operations, including, without limitation:

- we will have additional cash requirements in order to support the payment of interest on our outstanding indebtedness;
- increases in our outstanding indebtedness and leverage may increase our vulnerability to adverse changes in general economic and industry conditions, as well as to competitive pressure;
- our ability to obtain additional financing for working capital, capital expenditures, general corporate and other purposes may be reduced;
- our flexibility in planning for, or reacting to, changes in our business and our industry may be reduced; and
- our flexibility to make acquisitions and develop technology may be limited.

Our ability to make payments of principal and interest on and to refinance our indebtedness, including our existing debt as well as any future debt that we may incur, will depend on our ability to generate cash in the future from operations, financings or asset sales. Our ability to generate cash is subject to general economic conditions and financial, business and other factors affecting our operations, many of which are beyond our control. If we are unable to generate sufficient cash flow from operations in the future to service our debt and meet our other cash requirements, we may be required, among other things:

- to seek additional financing in the debt or equity markets;
- to refinance or restructure all or a portion of our indebtedness;
- to sell selected assets or businesses; or
- to reduce or delay planned capital or operating expenditures.

Such measures might not be sufficient to enable us to service our debt and meet our other cash requirements. In addition, any such financing, refinancing or sale of assets might not be available at all or on economically favorable terms.

***Covenants in our debt instruments may adversely affect us.***

Our credit agreements and indentures contain customary financial covenants, including those that limit the amount of our debt, which may restrict the operations of our business and our ability to incur additional debt to finance acquisitions. Our ability to

meet the financial covenants may be affected by events beyond our control, and we cannot provide assurance that we will meet those tests. A breach of any of these covenants could result in a default under our credit agreements or indentures. Upon the occurrence of an event of default under any of our credit facilities or indentures, the lenders or trustees could elect to declare all amounts outstanding thereunder to be immediately due and payable and, in the case of credit facility lenders, terminate all commitments to extend further credit. If the lenders or trustees accelerate the repayment of borrowings, we cannot provide assurance that we will have sufficient assets to repay our credit facilities and our other indebtedness. Furthermore, acceleration of any obligation under any of our material debt instruments will permit the holders of our other material debt to accelerate their obligations, which could have a material adverse effect on our financial condition.

***We may increase our debt or raise additional capital, our credit ratings may be downgraded in the future, or our interest rates may increase, each of which could affect our financial condition, and may decrease our profitability.***

As of December 31, 2022, we had \$2,339.3 million of total debt outstanding on a consolidated basis. We may increase our debt or raise additional capital in the future, subject to restrictions in our debt agreements. If our cash flow from operations is less than we anticipate, if our cash requirements are more than we expect, or if we intend to finance acquisitions, we may require more financing. However, debt or equity financing may not be available to us on acceptable terms, or at all. If we incur additional debt or raise equity through the issuance of additional capital shares, the terms of the debt or capital shares issued may give the holders rights, preferences and privileges senior to those of holders of our ordinary shares, particularly in the event of liquidation. The terms of the debt may also impose additional and more stringent restrictions on our operations than we currently have. If we raise funds through the issuance of additional equity, the percentage ownership of existing shareholders in our company would decline. If we are unable to raise additional capital when needed, our financial condition could be adversely affected.

Unfavorable changes in the ratings that rating agencies assign to our debt may ultimately negatively impact our access to the debt capital markets and increase the costs we incur to borrow funds. If ratings for our debt fall below investment grade, our access to the debt capital markets may become restricted. Additionally, our credit agreements generally include an increase in interest rates if the ratings for our debt are downgraded. To the extent that our interest rates increase, our interest expense will increase, which could adversely affect our financial condition, results of operations and cash flows.

***Disruptions in the financial markets could adversely affect us, our customers and our suppliers by increasing funding costs or reducing availability of credit.***

In the normal course of our business, we may access credit markets for general corporate purposes, which may include repayment of indebtedness, acquisitions, additions to working capital, repurchase of shares, capital expenditures and investments in our subsidiaries. Although we expect to have sufficient liquidity to meet our foreseeable needs, our access to and the cost of capital could be negatively impacted by disruptions in the credit markets, which have occurred in the past and made financing terms for borrowers unattractive or unavailable. These factors may make it more difficult or expensive for us to access credit markets if the need arises. In addition, these factors may make it more difficult for our suppliers to meet demand for products or for customers to purchase products or commence new projects, as suppliers and customers may experience increased costs of debt financing or difficulties in obtaining debt financing. Disruptions in the financial markets have had adverse effects on other areas of the economy and have led to a slowdown in general economic activity that may continue to adversely affect our businesses. One or more of these factors could adversely affect our business, financial condition, results of operations or cash flows.

#### **Risks Relating to Legal, Regulatory and Compliance Matters**

***Violations of the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act, and other anti-corruption laws outside the U.S. could have a material adverse effect on us.***

The U.S. Foreign Corrupt Practices Act ("FCPA"), U.K. Bribery Act, and other anti-corruption laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials or other persons for the purpose of obtaining or retaining business. Recent years have seen a substantial increase in anti-bribery law enforcement activity, with more frequent and aggressive investigations and enforcement proceedings by both the U.S. Department of Justice and the SEC, increased enforcement activity by non-U.S. regulators and increases in criminal and civil proceedings brought against companies and individuals. Our policies mandate compliance with these anti-bribery laws. We operate in many parts of the world that are recognized as having governmental and commercial corruption and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices. We cannot assure that our internal control policies and procedures will always protect us from negligent, reckless or criminal acts committed by our employees or third-party intermediaries. In the event that we believe or have reason to believe that our employees, customers, or agents have or may have violated applicable anti-corruption laws, including the FCPA, we may be required to investigate the relevant facts and circumstances, which can be expensive and require significant time and attention from senior management. Violations of these laws may require self-disclosure to government agencies and result in criminal or civil sanctions, which could disrupt our

business and result in a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

***Our failure to satisfy international trade compliance regulations, and changes in U.S. government and other applicable sanctions, could have a material adverse effect on us.***

Our global operations require importing and exporting goods and technology across international borders on a regular basis. Certain of the products we sell are “dual use” products, which are products that may have both civil and military applications, or may otherwise be involved in weapons proliferation, and are often subject to more stringent export controls. From time to time, we obtain or receive information alleging improper activity in connection with imports or exports. Our policy mandates strict compliance with U.S. and non-U.S. trade laws applicable to our products. However, even when we are in strict compliance with law and our policies, we may suffer reputational damage if certain of our products are sold through various intermediaries to sanctioned entities or to entities operating in sanctioned countries. When we receive information alleging improper activity, our policy is to investigate that information and respond appropriately, including, if warranted, reporting our findings to relevant governmental authorities. Nonetheless, our policies and procedures may not always protect us from actions that would violate U.S. and/or non-U.S. laws. Any improper actions could subject us to civil or criminal penalties, including material monetary fines, or other adverse actions including denial of import or export privileges, and could damage our reputation and business prospects.

***We are exposed to environmental laws, liabilities and litigation.***

We are subject to U.S. federal, state, local and non-U.S. laws and regulations governing protection of the environment and worker health and safety. Compliance with these environmental, health and safety regulations could require us to satisfy environmental liabilities, increase the cost of manufacturing our products or otherwise have a material adverse effect on our business, financial condition, results of operations and cash flows. Any violations of these laws by us could cause us to incur unanticipated liabilities. We are also required to comply with various environmental laws and maintain permits, many of which are subject to renewal from time to time, for many of our businesses, and we could be adversely impacted if we are unable to renew existing permits or to obtain any additional permits that may be required. Compliance with environmental requirements also could require significant operating or capital expenditures or result in significant operational restrictions. We cannot provide assurance that we have been or will be at all times in compliance with environmental and health and safety laws. If we violate these laws, we could be fined, criminally charged or otherwise sanctioned by regulators.

We have been named as a defendant, target or a potentially responsible party (“PRP”) in a number of environmental matters relating to our current or former businesses. We have disposed of a number of businesses and in certain cases, we have retained responsibility and potential liability for certain environmental obligations. We have received claims for indemnification from certain purchasers of businesses from us. 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 clean-up actions brought by governmental authorities, private parties could bring individual or class-action 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 the operations of divested or acquired businesses or other businesses that previously owned or used the properties. The cost of remediation and other environmental liabilities can be difficult to accurately predict. In addition, environmental requirements change and tend to become more stringent over time. Our eventual environmental remediation costs and liabilities could exceed the amount of our current reserves.

***Our subsidiaries are party to asbestos-related litigation that could adversely affect our financial condition, results of operations and cash flows.***

Our subsidiaries, along with numerous other companies, are named as defendants in a substantial number of lawsuits based on alleged exposure to asbestos-containing materials, substantially all of which relate to our discontinued operations. 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. In addition, some cases brought against us involve the presence of asbestos at facilities that we own or used to own. Each case typically names a large number of product manufacturers, service providers and premises owners. Historically, our subsidiaries have been identified as defendants in asbestos-related claims. Our strategy has been, and continues to be, to mount a vigorous defense aimed at having unsubstantiated suits dismissed, and settling claims before trial only where appropriate. As of December 31, 2022, there were approximately 689 claims pending against our subsidiaries, substantially all of which relate to our discontinued operations. We cannot predict with certainty the extent to which we will be successful in litigating or otherwise resolving lawsuits in the future, and we continue to evaluate different strategies related to asbestos claims filed against us including the possibility of entity restructuring. Unfavorable rulings, judgments or settlement terms could have a material adverse impact on our business and financial condition, results of operations and cash flows. In addition, while most of

the asbestos claims against us are covered by liability insurance policies from many years ago, not all claims are insured. As our insurers resolve claims relating to past policy periods, the aggregate coverage provided by those policies erodes. If we exhaust our coverage under those policies, we will be exposed to potential uninsured losses. Over time, the uninsured portion of our asbestos docket may increase, which may require us to set greater reserves to resolve future asbestos cases.

***Failure to comply with the broad range of standards, laws and regulations in the jurisdictions in which we operate may result in exposure to substantial disruptions, costs and liabilities.***

Our products, manufacturing facilities and business operations are subject to certain statutory and regulatory requirements. These laws and regulations impose on us increasingly complex, stringent and costly compliance activities, including but not limited to environmental, health, and safety protection standards and permitting, labeling and other requirements regarding (among other things) product efficiency and performance, material makeup, air quality and emissions, and wastewater discharges; the use, handling, and disposal of hazardous or toxic materials; remediation of environmental contamination; and working conditions for and compensation of our employees. We may also be affected by future standards, laws or regulations, including those imposed in response to energy, climate change, product functionality, geopolitical, corporate social responsibility, or similar concerns. These standards, laws, or regulations may impact our costs of operation, the sourcing of raw materials, and the manufacture and distribution of our products and place restrictions and other requirements or impediments on the products and solutions we can sell in certain geographical locations or on the willingness of certain investors to own our shares.

***We are exposed to certain regulatory, financial and other risks related to climate change and other sustainability matters.***

Climate change is receiving ever increasing attention worldwide. Many scientists, legislators and others attribute global warming to increased levels of greenhouse gases, which has led to significant legislative and regulatory efforts to limit greenhouse gas emissions. The U.S. Environmental Protection Agency (“EPA”) has published findings that emissions of carbon dioxide, methane, and other greenhouse gases (“GHGs”) present an endangerment to public health and the environment because emissions of such gases are, according to the EPA, contributing to the warming of the earth’s atmosphere and other climate changes. Based on these findings, the EPA has implemented regulations that require reporting of GHG emissions, or that limit emissions of GHGs from certain mobile or stationary sources. In addition, the U.S. Congress and federal and state regulatory agencies have considered other legislation and regulatory proposals to reduce emissions of GHGs, and many states have already taken legal measures to reduce emissions of GHGs, primarily through the development of GHG inventories, GHG permitting and/or regional GHG cap-and-trade programs. It is uncertain whether, when and in what form a federal mandatory carbon dioxide emissions reduction program, or other state programs, may be adopted. Similarly, certain countries have adopted the Kyoto Protocol and in February 2021, the U.S. rejoined the Paris Accord. These and other existing or potential international initiatives and regulations could affect our international operations. To the extent our customers, particularly our energy and industrial customers, are subject to any of these or other similar proposed or newly enacted laws and regulations, we are exposed to risks that the additional costs by customers to comply with such laws and regulations could impact their ability or desire to continue to operate at similar levels in certain jurisdictions as historically seen or as currently anticipated, which could negatively impact their demand for our products and services. As customers become increasingly concerned about the environmental impact of their purchases, if we fail to keep up with changing regulations or innovate or operate in ways that minimize the energy use of our products or operations, customers may choose more energy efficient or sustainable alternatives. These actions could also increase costs associated with our operations, including costs for raw materials and transportation. We may also be subject to consumer lawsuits or enforcement actions by governmental authorities if our ESG claims relating to product marketing are inaccurate. It is uncertain what laws will be enacted and therefore we cannot predict the potential impact of such laws on our future financial condition, results of operations and cash flows. The laws and regulations regarding ESG disclosures and requirements are rapidly evolving and could have an adverse effect on our operations and the costs of compliance with, and the other burdens imposed by, these and other laws or regulatory actions may increase our operational costs.

As part of our strategy regarding environmental, climate change and sustainability matters, we have set and may set additional targets aimed at reducing our impact on the environment and climate change and/or targets relating to other sustainability matters. In addition, as a leading provider of water treatment solutions, our business strategy includes positioning our products and services as sustainable solutions. Actions we take to achieve our targets or strategy could result in increased costs to our operations. We may not be able to achieve such targets or our desired impact, and any future investments we make in furtherance of achieving such targets and strategy may not meet investor expectations or standards regarding sustainability performance. Moreover, we may determine that it is in the best interest of our company and our shareholders to prioritize other business, social, governance or sustainable investments over the achievement of our current targets based on economic, regulatory and social factors, business strategy or pressure from investors or other stakeholders. In addition, investors and other stakeholders are increasingly focused on ESG matters, and as stakeholder ESG expectations and standards are evolving, we may not be able to sufficiently respond to these evolving standards and expectations. Furthermore, we could be criticized for the accuracy or completeness of the disclosure of our ESG initiatives. If we are unable to meet our targets or successfully implement our strategy or our ESG reporting is inaccurate or incomplete, then we could suffer from reputational damage and incur adverse reaction from investors and other stakeholders, which could adversely impact the perception of our brand and our

products and services by current and potential investors and customers, which could in turn adversely impact our business, results of operations, or financial condition.

***Increased cybersecurity threats and computer crime pose a risk to our systems, networks, products and services, and we are exposed to potential regulatory, financial and reputational risks relating to the protection of our data.***

We rely upon information technology systems and networks in connection with a variety of business activities, some of which are managed by third parties. As our business increasingly interfaces with employees, customers, dealers and suppliers using information technology systems and networks, we are subject to an increased risk to the secure operation of these systems and networks. Our evolution into smart products and Internet of Things subjects us to increased cyber and technology risks. The secure operation of our information technology systems and networks is critical to our business operations and strategy. Cybersecurity threats from user error to attacks designed to gain unauthorized access to our systems, networks and data are increasing in frequency and sophistication. These threats pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of the data we process and maintain. Establishing systems and processes to address these threats may increase our costs. We have experienced cybersecurity incidents, and, although we have determined such cybersecurity incidents to be immaterial and such incidents have not had a material adverse effect on our financial condition, results of operations or cash flows, there can be no assurance of similar results in the future. Should future attacks succeed, it could expose us and our employees, customers, dealers and suppliers to the theft of assets, misuse of information or systems, compromises of confidential information, manipulation and destruction of data, product failures, production downtimes and operations disruptions. The occurrence of any of these events could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows. In addition, such cybersecurity incidents could result in litigation, regulatory action and potential liability and the costs and operational consequences of implementing further data protection measures.

***Changes in data privacy laws and our ability to comply with them could have a material adverse effect on us.***

We collect and store data that is sensitive to us and our employees, customers, dealers and suppliers. A variety of state, national, foreign and international laws and regulations apply to the collection, use, retention, protection, security, disclosure, transfer and other processing of personal and other data. Many foreign data privacy regulations, including the General Data Protection Regulation (the “GDPR”) in the European Union, are more stringent than federal regulations in the United States. Within the United States, many states are considering adopting, or have already adopted privacy regulations, including, for example, the California Consumer Privacy Act. These laws and regulations are rapidly evolving and changing, and could have an adverse effect on our operations. Companies’ obligations and requirements under these laws and regulations are subject to uncertainty in how they may be interpreted by courts and governmental authorities. The costs of compliance with, and the other burdens imposed by, these and other laws or regulatory actions may increase our operational costs, and/or result in interruptions or delays in the availability of systems. In the case of non-compliance with these laws, including the GDPR, regulators have the authority to levy significant fines. In addition, if there is a breach of privacy, we may be required to make notifications under data privacy laws or regulations, or could become subject to litigation. The occurrence of any of these events could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

***We may be negatively impacted by litigation and other claims.***

We are currently, and may in the future, become subject to litigation and other claims. These legal proceedings are typically claims that relate to our products or services or to the conduct of our business and include, without limitation, claims relating to commercial regulatory or contractual disputes with suppliers, authorities, customers or parties to acquisitions and divestitures; intellectual property matters; environmental, asbestos, safety and health matters; product quality and liability matters; matters arising from the use or installation of our products; consumer protection matters; and employment and labor matters. The outcome of such legal proceedings cannot be predicted with certainty and some may be disposed of unfavorably to us. Insurance coverage is not available for some of our claims and may be disputed by carriers in others. While we currently maintain what we believe to be suitable product liability insurance, we may not be able to maintain this insurance on our preferred terms or at an acceptable cost, and this insurance may not provide adequate protection against potential or previously existing liabilities. In addition, we self-insure a portion of product liability claims and must satisfy deductibles on other insured claims. Further, some of our business involves the sale of our products to customers that are constructing large and complex systems, facilities or other capital projects, and while we generally try to limit our exposure to liquidated damages, consequential damages and other potential damages in the contracts for these projects, we could be exposed to significant monetary damages and other liabilities in connection with the sale of our products for these projects for a variety of reasons. In addition, some of our businesses, customers, and dealers are subject to various laws and regulations regarding consumer protection and advertising and sales practices, and we have been named, and may be named in the future, as a defendant in litigation, some of which are or may be class action complaints, arising from alleged violation of these laws and regulations. In addition, our indemnification obligations relating to the purchase or sale of businesses could result in litigation or claims of unknown amounts. Successful claims or litigation against us for significant amounts could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

## **Risks Relating to Our Jurisdiction of Incorporation in Ireland and Tax Residency in the U.K.**

### ***We are subject to changes in law and other factors that may not allow us to maintain a worldwide effective corporate tax rate that is competitive in our industry.***

While we believe that we should be able to maintain a worldwide effective corporate tax rate that is competitive in our industry, we cannot give any assurance as to what our effective tax rate will be in the future because of, among other things, uncertainty regarding tax policies of the jurisdictions where we operate. Also, the tax laws and treaties of the U.S., the U.K., Ireland and other jurisdictions could change in the future, and such changes could cause a material change in our worldwide effective corporate tax rate. In addition, legislative action could be taken by the U.S., the U.K., Ireland or the European Union that could override tax treaties or modify tax statutes or regulations upon which we expect to rely and adversely affect our effective tax rate. We cannot predict the outcome of any specific legislative proposals. If proposals were enacted that had the effect of disregarding our incorporation in Ireland or limiting our ability as an Irish company to maintain tax residency in the U.K., we could be subject to increased taxation, which could materially adversely affect our financial condition, results of operations, cash flows or our effective tax rate in future reporting periods.

### ***A change in our tax residency could have a negative effect on our future profitability, and may trigger taxes on dividends or exit charges.***

Under current Irish legislation, a company is regarded as resident for tax purposes in Ireland if it is incorporated in Ireland. Under current U.K. legislation, a company that is centrally managed and controlled in the U.K. is regarded as resident in the U.K. for taxation purposes unless it is treated as resident in another jurisdiction pursuant to any appropriate double tax treaty with the U.K. Other jurisdictions may also seek to assert taxing jurisdiction over us.

The Organization for Economic Co-operation and Development proposed a number of measures relating to the tax treatment of multinationals, some of which are implemented by amending double tax treaties through the multilateral convention to implement tax treaty-related measures to prevent base erosion and profit shifting (the "MLI"). The MLI has now entered into force for a number of countries, including Ireland and the U.K. Under the Double Tax Convention between Ireland and the U.K., as amended by the MLI, the residence tie-breaker provides that a company will remain dual resident unless there is a determination otherwise by the tax authorities of the two contracting states.

We have obtained a determination from the Competent Authorities of the Irish Revenue Commissioners and the U.K. HM Revenue & Customs which states that we are resident for tax purposes only in the U.K.

It is possible that in the future, whether as a result of a change in law or the practice of any relevant tax authority or as a result of any change in the conduct of our affairs, we could become, or be regarded as having become, resident in a jurisdiction other than the U.K. If we cease to be resident in the U.K. and become a resident in another jurisdiction, we may be subject to U.K. exit charges, and could become liable for additional tax charges in the other jurisdiction (including dividend withholding taxes or corporate income tax charges). If we were to be treated as resident in more than one jurisdiction, we could be subject to taxation in multiple jurisdictions. If, for example, we were considered to be a tax resident of Ireland, we could become liable for Irish corporation tax, and any dividends paid by us could be subject to Irish dividend withholding tax.

### ***Irish law differs from the laws in effect in the United States and may afford less protection to holders of our securities.***

It may not be possible to enforce court judgments obtained in the U.S. against us in Ireland based on the civil liability provisions of the U.S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the U.S. federal or state securities laws or hear actions against us or those persons based on those laws. We have been advised that the U.S. currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any U.S. federal or state court based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically be enforceable in Ireland.

As an Irish company, we are governed by the Irish Companies Act, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Further, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the U.S.

***Irish law differs from the laws in effect in the United States, which may negatively impact our ability to issue ordinary shares.***

Under Irish law, we must have authority from our shareholders to issue any ordinary shares, including shares that are part of our authorized but unissued share capital. In addition, unless otherwise authorized by its shareholders, when an Irish company issues shares for cash to new shareholders, it is required first to offer those shares on the same or more favorable terms to existing shareholders on a pro-rata basis. If we are unable to obtain these authorizations from our shareholders, or are otherwise limited by the terms of our authorizations, our ability to issue ordinary shares under our equity compensation plans and, if applicable, to facilitate funding acquisitions or otherwise raise capital could be adversely affected.

***Transfers of our ordinary shares may be subject to Irish stamp duty.***

Transfers of our ordinary shares effected by means of the transfer of book entry interests in the Depository Trust Company (“DTC”) will not be subject to Irish stamp duty. However, if you hold your ordinary shares directly rather than beneficially through DTC, any transfer of your ordinary shares could be subject to Irish stamp duty (currently at the rate of 1% of the higher of the price paid or the market value of the shares acquired). Payment of Irish stamp duty is generally a legal obligation of the transferee.

We currently intend to pay, or cause one of our affiliates to pay, stamp duty in connection with share transfers made in the ordinary course of trading by a seller who holds shares directly to a buyer who holds the acquired shares beneficially. In other cases we may, in our absolute discretion, pay or cause one of our affiliates to pay any stamp duty. Our articles of association provide that, in the event of any such payment, we (i) may seek reimbursement from the buyer, (ii) will have a lien against the shares acquired by such buyer and any dividends paid on such shares and (iii) may set-off the amount of the stamp duty against future dividends on such shares. Parties to a share transfer may assume that any stamp duty arising in respect of a transaction in our shares has been paid unless one or both of such parties is otherwise notified by us.

***Our ordinary shares, received by means of a gift or inheritance could be subject to Irish capital acquisitions tax.***

Irish capital acquisitions tax (“CAT”) could apply to a gift or inheritance of our ordinary shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because our shares will be regarded as property situated in Ireland. The person who receives the gift or inheritance has primary liability for CAT. Gifts and inheritances passing between spouses are exempt from CAT. Children have a tax-free threshold of €335,000 per lifetime in respect of taxable gifts or inheritances received from their parents for periods on or after October 9, 2019.

**General Risk Factors**

***Our share price may fluctuate significantly.***

We cannot predict the prices at which our shares may trade. The market price of our shares may fluctuate widely, depending on many factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our results of operations due to factors related to our business;
- success or failure of our business strategy;
- our quarterly or annual earnings, or those of other companies in our industry;
- our ability to obtain third-party financing as needed;
- announcements by us or our competitors of significant acquisitions or dispositions;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in earnings estimates or guidance by us or securities analysts or our ability to meet those estimates or guidance;
- the operating and share price performance of other comparable companies;
- investor perception of us;
- effect of certain events or occurrences on our reputation;
- overall market fluctuations;
- results from any material litigation or governmental investigation or environmental liabilities;

- natural or other environmental disasters;
- changes in laws and regulations affecting our business; and
- general economic conditions and other external factors.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations could have a material adverse effect on our share price.

#### ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

#### ITEM 2. PROPERTIES

Our principal office is located in leased premises in London, U.K., and our management office in the U.S. is located in leased premises in Golden Valley, Minnesota.

Our operations are conducted in facilities throughout the world. These facilities house manufacturing and distribution operations, as well as sales and marketing, engineering and administrative offices. The following is a summary of our principal properties as of December 31, 2022, including manufacturing, distribution, sales offices and service centers:

	Location	No. of Facilities			
		Manufacturing	Distribution	Sales and Corporate Offices	Service Centers
Consumer Solutions	U.S. and 9 foreign countries	22	27	10	31
Industrial & Flow Technologies	U.S. and 14 foreign countries	20	10	4	10
Corporate	U.S. and 3 foreign countries	—	—	5	—
<b>Total</b>		<b>42</b>	<b>37</b>	<b>19</b>	<b>41</b>

We believe that our production facilities, as well as the related machinery and equipment, are well maintained and suitable for their purpose and are adequate to support our businesses.

#### ITEM 3. LEGAL PROCEEDINGS

We have been, and in the future may be, made parties to a number of actions filed or have been, and in the future may be, given notice of potential claims relating to the conduct of our business, including those relating to commercial, regulatory or contractual disputes with suppliers, customers, authorities or parties to acquisitions and divestitures; intellectual property matters; environmental, asbestos, safety and health matters; product liability; the use or installation of our products; consumer matters; and employment and labor matters. Refer to “*Legal proceedings*” and “*Environmental matters*” within [Note 15 “Commitments and Contingencies”](#), of the consolidated financial statements included in ITEM 8 of Part II of this Form 10-K for information regarding legal and regulatory proceedings we are involved in. In addition, see [Item 1A “Risk Factors - Our subsidiaries are party to asbestos-related product litigation that could adversely affect our financial condition, results of operations and cash flows”](#) related to asbestos matters.

#### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Current executive officers of Pentair plc, their ages, current position and their business experience during at least the past five years are as follows:

<u>Name</u>	<u>Age</u>	<u>Current Position and Business Experience</u>
John L. Stauch	58	President and Chief Executive Officer since 2018; Executive Vice President and Chief Financial Officer 2007 – 2018; Chief Financial Officer of the Automation and Control Systems unit of Honeywell International Inc. 2005 – 2007; Vice President, Finance and Chief Financial Officer of the Sensing and Controls unit of Honeywell International Inc. 2004 – 2005; Vice President, Finance and Chief Financial Officer of the Automation & Control Products unit of Honeywell International Inc. 2002 – 2004; Chief Financial Officer and IT Director of PerkinElmer Optoelectronics, a unit of PerkinElmer, Inc., 2000 – 2002.
Adrian C. Chiu	44	Effective January 1, 2023, Mr. Chiu is Executive Vice President and President of the new Water Solutions reporting segment. Executive Vice President, Chief Human Resources Officer and Chief Transformation Officer 2021 – 2022; Vice President of Total Rewards and Human Resources Information Systems 2018 – 2021; Vice President and Project Management Office Leader for the separation of nVent plc (Pentair's former electrical business) 2017 – 2018; Vice President of Human Resources Technology, Operations, and Equity Compensation 2016 – 2018; Senior Director of Human Resources Technology and Services 2011 – 2016; Various consulting positions of increasing responsibility at IBM Global Business Services 2000 – 2011.
Robert P. Fishman	59	Executive Vice President, Chief Financial Officer and Chief Accounting Officer since 2020; also Interim President, Consumer Solutions during 2022; Executive Vice President and Chief Financial Officer of NCR Corporation (a global provider of omni-channel technology solutions) 2016 – 2018; Senior Vice President and Chief Financial Officer of NCR Corporation 2010 – 2016; Vice President and Corporate Controller of NCR Corporation 2007 – 2009.
Tanya L. Hooper	50	Effective January 1, 2023, Ms. Hooper is the Executive Vice President and Chief Human Resources Officer. Vice President of Global Talent and Corporate Human Resources of Honeywell International Inc. 2021 – 2022; Vice President and Chief Human Resources Officer of Collins Aerospace 2019 – 2021; Vice President of Talent of Collins Aerospace 2018 – 2019; Vice President of Human Resources of Collins Aerospace 2016 – 2018; Various positions of increasing responsibility at Shell 2000 – 2016.
Jerome O. Pedretti	52	Effective January 1, 2023, Mr. Pedretti is Executive Vice President and Chief Executive Officer of the new Pool reporting segment. Executive Vice President and President, Industrial & Flow Technologies 2020 – 2022; Senior Vice President of Pentair's former Aquatic Systems reporting segment 2016 – 2019; Vice President of Pentair's former Valves & Controls business 2014 – 2016; Vice President Growth Strategy 2010 – 2014; Various business leadership positions of Pentair 2005 – 2014; Consultant at Bain & Co 2002 – 2005.
Stephen J. Pilla	59	Effective January 1, 2023, Mr. Pilla is the Executive Vice President, Chief Supply Chain Officer and Chief Transformation Officer. Executive Vice President and Chief Supply Chain Officer since 2020; Vice President and Chief Supply Chain Officer of Red Wing Shoe Co. (a manufacturer of personal protection equipment and footwear) 2017 – 2020; Vice President and General Manager of Pentair's former Enclosure Division 2015 – 2017; Vice President of Pentair's Global Operations and Supply Chain 2014 – 2016; Vice President, Global Supply of Pentair 2009 – 2012; Various other business leadership positions of Pentair 2002 – 2009.
Karla C. Robertson	52	Executive Vice President, General Counsel, Secretary and Chief Social Responsibility Officer since 2020; Executive Vice President, General Counsel and Secretary 2018 – 2020; General Counsel, Water segment 2017 – 2018; Executive Vice President, General Counsel and Corporate Secretary of SUPERVALU Inc. (a wholesaler and retailer of grocery products) 2013 – 2017; Vice President, Employment, Compensation and Benefits Law of SUPERVALU Inc. 2012 – 2013; Director, Employment Law of SUPERVALU Inc. 2011 – 2012; Senior Counsel, Employment Law of SUPERVALU Inc. 2009 – 2011; Senior Employee Relations Counsel of Target Corporation 2006 – 2008; Associate, Faegre & Benson LLP 2000 – 2005; Judicial Clerk, United States District Court for the Southern District of Iowa 1998 – 2000.
Philip M. Rolchigo	61	Executive Vice President and Chief Technology Officer since 2018; Chief Technology Officer 2017 – 2018; Vice President of Technology 2015 – 2017; Vice President of Engineering 2007 – 2015; Business Development Director of Water Technologies business of GE Global Research Center 2006 – 2007; Director of Technology of GE Water & Process Technologies 2003 – 2006; Chief Technology Officer of Osmonics 2000 – 2003; Vice President of Research & Development of Osmonics 1998 – 2000.
De'Mon L. Wiggins	48	Effective January 1, 2023, Mr. Wiggins is Executive Vice President and President of the Industrial & Flow Technologies segment. Group President of Pentair's Pool business 2021 – 2022; Vice President of Pentair's Pool business 2017 – 2021; Vice President and Strategic Business Unit leader for Pentair's Fluid Motion platform 2016 – 2017; Various other business leadership positions of Pentair 2010 – 2016.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our ordinary shares are listed for trading on the New York Stock Exchange ("NYSE") under the symbol "PNR." As of December 31, 2022, there were 12,940 shareholders of record.

Pentair has paid 188 consecutive quarterly cash dividends, including most recently a dividend of \$0.21 per share in the fourth quarter of 2022. On December 12, 2022, Pentair's Board of Directors approved a 5 percent increase in the Company's regular quarterly cash dividend rate (from \$0.21 per share to \$0.22 per share) that was paid on February 3, 2023 to shareholders of record at the close of business on January 20, 2023. 2023 marks the 47<sup>th</sup> consecutive year that Pentair has increased its dividend.

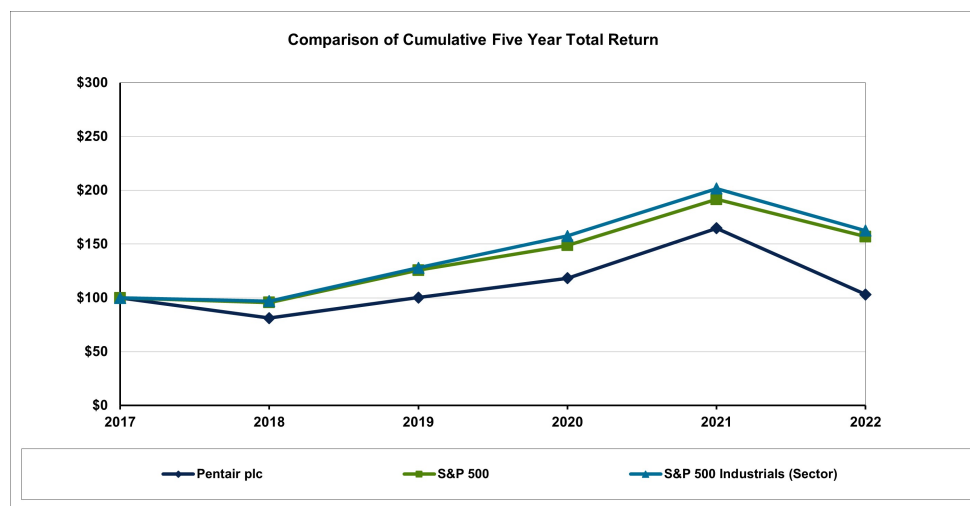
The timing, declaration and payment of future dividends to holders of our ordinary shares will depend upon many factors, including our financial condition and results of operations, the capital requirements of our businesses, industry practice and any other relevant factors.

**Share Performance Graph**

The following information under the caption "Share Performance Graph" in this ITEM 5 of this Annual Report on Form 10-K is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or to the liabilities of Section 18 of the Exchange Act and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent we specifically incorporate it by reference into such a filing.

The following graph sets forth the cumulative total shareholder return on our ordinary shares for the last five years, assuming the investment of \$100 on December 31, 2017 and the reinvestment of all dividends since that date to December 31, 2022. The graph also contains for comparison purposes the S&P 500 Index and the S&P 500 Industrials Index, assuming the same investment level and reinvestment of dividends.

By virtue of our market capitalization, we are a component of the S&P 500 Index. On the basis of our size and diversity of businesses, we believe the S&P 500 Industrials Index is an appropriate published industry index for comparison purposes.



Company / Index	Base Period December		INDEXED RETURNS Years ended December 31			
	2017	2018	2019	2020	2021	2022
Pentair plc	\$ 100	\$ 81.14	\$ 100.35	\$ 118.30	\$ 164.73	\$ 103.16
S&P 500 Index	100	95.62	125.72	148.85	191.58	156.88
S&P 500 Industrials Index	100	96.95	127.95	157.60	201.56	162.45

**Purchases of Equity Securities**

The following table provides information with respect to purchases we made of our ordinary shares during the fourth quarter of 2022:

	(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
October 1 – October 29	86	\$ 41.81	—	\$ 600,002,203
October 30 – November 26	1,014	42.50	—	600,002,203
November 27 – December 31	1,432	46.20	—	600,002,203
Total	2,532		—	

<sup>(a)</sup> The purchases in this column include 86 shares for the period October 1 – October 29, 1,014 shares for the period October 30 – November 26, and 1,432 shares for the period November 27 – December 31 deemed surrendered to us by participants in our equity incentive 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.

<sup>(b)</sup> The average price paid in this column includes shares repurchased as part of our publicly announced plans and shares deemed surrendered to us by participants in our equity incentive 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.

<sup>(c)</sup> 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 authorized by the Board of Directors, discussed below.

<sup>(d)</sup> In December 2020, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of \$750.0 million (the “2020 Authorization”). The 2020 Authorization expires on December 31, 2025. We have \$600.0 million remaining availability for repurchases under the 2020 Authorization. From time to time, we may enter into a Rule 10b5-1 trading plan for the purpose of repurchasing shares under this authorization.

**ITEM 6. [RESERVED]**

## ITEM 7. 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,” “could,” “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 overall global economic and business conditions impacting our business, including the strength of housing and related markets and conditions relating to the conflict between Russia and Ukraine and related sanctions; supply, demand, logistics, competition and pricing pressures related to and in the markets we serve; the ability to achieve the benefits of our restructuring plans, cost reduction initiatives and transformation program; the impact of raw material, logistics and labor costs and other inflation; volatility in currency exchange rates; failure of markets to accept new product introductions and enhancements; the ability to successfully identify, finance, complete and integrate acquisitions; risks associated with operating foreign businesses; the impact of seasonality of sales and weather conditions; our ability to comply with laws and regulations; the impact of changes in laws, regulations and administrative policy, including those that limit U.S. tax benefits or impact trade agreements and tariffs; the outcome of litigation and governmental proceedings; and the ability to achieve our long-term strategic operating and ESG 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 Annual Report on Form 10-K. 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**

Pentair plc and its consolidated subsidiaries (“we,” “us,” “our,” “Pentair” or the “Company”) is a pure play water industrial manufacturing company and in 2022 we were comprised of two reporting segments: Consumer Solutions and Industrial & Flow Technologies. We classify our operations into business segments based primarily on types of products offered and markets served. For the year ended December 31, 2022, the Consumer Solutions and Industrial & Flow Technologies segments represented approximately 64% and 36% of total revenues, respectively.

Effective January 1, 2023, we reorganized our segments, going from two segments to three, with the three reorganized segments reflecting how we expect to manage our business in 2023. As a result of this segment change, the Consumer Solutions segment was divided into a Pool segment and a Water Solutions segment. Our new Water Solutions segment includes Manitowoc Ice. The Industrial & Flow Technologies segment remains the same. The discussions below reporting on prior periods reflect the previous segmentation, but the descriptions of our businesses below continue to apply in their re-segmented form. Additional information regarding this re-segmentation is found under the section titled “New Segmentation” in ITEM 1 of this Form 10-K.

Although our jurisdiction of organization is Ireland, we manage our affairs so that we are centrally managed and controlled in the United Kingdom (the “U.K.”) and therefore have our tax residency in the U.K.

On July 28, 2022, as part of our Consumer Solutions reporting segment, we acquired the issued and outstanding equity securities of certain subsidiaries of Welbilt, Inc. (“Welbilt”) and certain other assets, rights, and properties, and assumed certain liabilities, comprising Welbilt’s Manitowoc Ice business (“Manitowoc Ice”), for approximately \$1.6 billion in cash.

### **Key Trends and Uncertainties Regarding Our Existing Business**

The following trends and uncertainties affected our financial performance in 2022, and are reasonably likely to impact our results in the future:

- We executed certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business. We expect these actions to continue into 2023 and to drive margin growth.
- In 2021, we created a transformation office and launched and committed resources to the Transformation Program designed to accelerate growth and drive margin expansion by driving operational excellence, reducing complexity and streamlining our processes. During 2022, we made strategic progress on our Transformation Program initiatives with a primary focus on two of our four key themes of pricing excellence and strategic sourcing and built capabilities across all themes, including the other two of operations excellence and organizational effectiveness. We expect to continue to execute on our key Transformation Program initiatives to drive margin expansion and expect to continue to incur transformation costs in 2023 and beyond.

- We experienced supply chain challenges, including increased lead times for raw materials due to availability constraints and high demand for these materials. While we have elevated our engagement with our suppliers and used secondary suppliers and new methods of procurement where available to mitigate the supply chain pressures, we expect supply chain challenges to continue in 2023, and which may continue thereafter and could negatively impact our results of operations.
- We experienced inflationary increases in costs of raw materials such as metals, resins and electronics (including drives and motors), as well as increases in logistics, transportation and labor costs. While we have taken pricing actions and we strive for productivity improvements that could help offset these inflationary cost increases, we expect inflationary cost increases to continue in 2023, and which may continue thereafter and could negatively impact our results of operations.
- We experienced increased inventory levels in order to support market demand and reflect ongoing supply chain challenges. In the second half of 2022, we began to see inventory correcting within our residential distributor channels, which we expect to result in moderated volumes for the next few quarters as channel inventories normalize to more historical levels and could negatively impact our results of operations.
- Our backlog, primarily in our Consumer Solutions segment, decreased compared to the backlog at the end of 2021. Shipments outpaced new orders during the period as customers balanced the need to place new orders with market demand and channel inventory levels. This downward trend may continue in 2023 as we expect backlog to return to more historical levels and lead times to improve.
- We have identified specific product and geographic market opportunities that we find attractive and continue to pursue, both within and outside the U.S. We are reinforcing that our businesses more effectively address these opportunities through research and development and additional sales and marketing resources. Unless we successfully penetrate these markets, our core sales growth will likely be limited or may decline.
- The ongoing effects of the COVID-19 pandemic continue to impact global economic conditions. There are many uncertainties regarding the COVID-19 pandemic, including the duration and severity of the pandemic, the spread of increasing number of virus variants, the extent of worldwide social, political and economic disruption it may continue to cause and the distribution and effectiveness of vaccines to address the COVID-19 virus. The broader implications of the COVID-19 pandemic that are reasonably likely to impact our business, financial condition, results of operations and cash flows cannot be determined at this time, and ultimately will be affected by a number of evolving factors including the length of time that the pandemic continues and the impact of vaccines on it, the impact of virus variants, the effectiveness of vaccinations, the pandemic's effect on the demand for our products and services, our supply chain, and our manufacturing and distribution capacity, as well as the impact of governmental regulations imposed in response to the pandemic. For more information regarding factors and events that may impact our business, results of operations and financial condition as a result of the COVID-19 pandemic, see Part I—ITEM 1A, "Risk Factors," included herein.

In 2023, our operating objectives focus on delivering our core and building our future. We expect to execute these objectives by:

- Delivering profitable revenue growth and productivity for customers and shareholders;
- Continuing to focus on capital allocation through:
  - Committing to maintain our investment grade rating;
  - Focusing on reducing our long-term debt;
  - Returning cash to shareholders through dividends and share repurchases; and
  - Accelerating our performance with strategically-aligned mergers and acquisitions;
- Focusing growth initiatives that accelerate our investments in digital, technology and services expansion;
- Continuing to implement our Transformation Program initiatives that will drive operational excellence, reduce complexity and improve our organizational structure; and
- Building a high performance growth culture and delivering on our commitments while living our Win Right values.

## CONSOLIDATED RESULTS OF OPERATIONS

The consolidated results of operations were as follows:

<i>In millions</i>	Years ended December 31			% / point change	
	2022	2021	2020	2022 vs 2021	2021 vs 2020
Net sales	\$ 4,121.8	\$ 3,764.8	\$ 3,017.8	9.5 %	24.8 %
Cost of goods sold	2,757.2	2,445.6	1,960.2	12.7 %	24.8 %
Gross profit	1,364.6	1,319.2	1,057.6	3.4 %	24.7 %
<i>% of net sales</i>	33.1 %	35.0 %	35.0 %	(1.9) pts	— pts
Selling, general and administrative	677.1	596.4	520.5	13.5 %	14.6 %
<i>% of net sales</i>	16.4 %	15.8 %	17.2 %	0.6 pts	(1.4) pts
Research and development	92.2	85.9	75.7	7.3 %	13.5 %
<i>% of net sales</i>	2.2 %	2.3 %	2.5 %	(0.1) pts	(0.2) pts
Operating income	595.3	636.9	461.4	(6.5) %	38.0 %
<i>% of net sales</i>	14.4 %	16.9 %	15.3 %	(2.5) pts	1.6 pts
(Gain) loss on sale of businesses	(0.2)	(1.4)	0.1	N.M.	N.M.
Net interest expense	61.8	12.5	23.9	N.M.	(47.7) %
Other (income) expense	(16.9)	(1.0)	5.3	N.M.	N.M.
Income from continuing operations before income taxes	550.6	626.8	432.1	(12.2) %	45.1 %
Provision for income taxes	67.4	70.8	75.0	(4.8) %	(5.6) %
<i>Effective tax rate</i>	12.2 %	11.3 %	17.4 %	0.9 pts	(6.1) pts

N.M. Not Meaningful

### Net sales

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

	2022 vs 2021	2021 vs 2020
Volume	(7.1)%	16.3 %
Price	13.3	4.6
Core growth	6.2	20.9
Acquisition/Divestiture	5.5	2.6
Currency	(2.2)	1.3
Total	9.5 %	24.8 %

The 9.5 percent increase in consolidated net sales in 2022 from 2021 was primarily the result of:

- increases in selling prices to mitigate a rise in inflationary costs;
- increased sales from the acquisitions of Manitowoc Ice, Pleatco Holdings, LLC (“Pleatco”), and Ken’s Beverage, Inc (“KBI”) completed in the third quarter of 2022, fourth quarter of 2021 and second quarter of 2021, respectively;
- sales volume increase in our industrial solutions business within our Industrial & Flow Technologies segment; and
- sales volume increase in our commercial water solutions business within our Consumer Solutions segment.

*This increase was partially offset by:*

- sales volume decrease in our Consumer Solutions segment mainly driven by our pool and residential water treatment businesses;
- sales volume decrease in our residential and irrigation flow businesses within our Industrial & Flow Technologies segment; and
- unfavorable foreign currency effects in 2022 compared to the prior year.

**Gross profit**

*The 1.9 percentage point decrease in gross profit as a percentage of net sales in 2022 from 2021 was primarily the result of:*

- inflationary cost increases due to tight supply of raw materials such as metals, resins and electronics;
- higher logistics and labor costs due to increased demand, additional headcount and factory labor wage increases;
- decreased productivity in our Consumer Solutions pool and residential water treatment businesses due to decreased sales volumes;
- decreased productivity in our Industrial & Flow Technologies segment as a result of supply chain and plant inefficiencies;
- inventory impairments and write-offs and certain accruals of \$19.6 million recorded as part of exiting businesses in our Consumer Solutions segment;
- amortization of inventory fair market value step-up of \$5.8 million as a result of the Manitowoc Ice acquisition; and
- charges of \$4.7 million recorded in 2022 for the write-off of inventory and costs related to contracts and orders that we will no longer fulfill in light of our exit of business activity and sales in Russia.

*This decrease was partially offset by:*

- increases in selling prices to mitigate impacts of inflation.

**Selling, general and administrative (“SG&A”)**

*The 0.6 percentage point increase in SG&A expense as a percentage of net sales in 2022 from 2021 was driven by:*

- identifiable intangible asset amortization expense of \$28.6 million related to the addition of Manitowoc Ice’s definite-lived intangible assets in 2022;
- deal-related costs and expenses of \$22.2 million in 2022, compared to \$7.9 million in 2021;
- restructuring costs of \$36.7 million in 2022, compared to \$7.4 million in 2021; and
- transformation costs of \$27.2 million in 2022, compared to \$11.7 million in 2021.

*This increase was partially offset by:*

- higher employee incentive expense in 2021 compared to 2022 as a result of stronger financial performance in 2021 than initially forecasted.

**Net interest expense**

*The increase in net interest expense in 2022 from 2021 was the result of:*

- increased debt due to the acquisition of Manitowoc Ice;
- increased variable interest rates in 2022 compared to the prior year; and
- the amortization of debt issuance costs of \$9.0 million in 2022 related to financing commitments for a bridge loan facility established in connection with the definitive agreement to purchase Manitowoc Ice.

**Provision for income taxes**

The 0.9 percentage point increase in the effective tax rate in 2022 from 2021 was primarily due to:

- the impact of favorable discrete items in 2021 that did not occur in 2022.

This increase was partially offset by:

- the favorable mix of global earnings.

**2021 Comparison with 2020**

A discussion of changes in our consolidated results of operations, segment results of operations and liquidity and capital resources from the year ended December 31, 2021 to December 31, 2020 can be found in Part II, ITEM 7, Management's Discussion and Analysis of Financial Condition and Results of Operations of our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the SEC on February 22, 2022. However, such discussion is not incorporated by reference into, and does not constitute a part of, this Annual Report on Form 10-K.

**SEGMENT RESULTS OF OPERATIONS**

The summary that follows provides a discussion of the results of operations of each of our 2022 reportable segments (Consumer Solutions and Industrial & Flow Technologies). Each of these segments is comprised of various product offerings that serve multiple end users.

We evaluate performance based on net 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 and transformation activities, impairments and other unusual non-operating items.

**Consumer Solutions**

The net sales and segment income for Consumer Solutions were as follows:

In millions	Years ended December 31			% / point change	
	2022	2021	2020	2022 vs 2021	2021 vs 2020
Net sales	\$ 2,619.5	\$ 2,341.9	\$ 1,742.9	11.9 %	34.4 %
Segment income	611.1	554.4	419.1	10.2 %	32.3 %
% of net sales	23.3 %	23.7 %	24.0 %	(0.4) pts	(0.3) pts

**Net sales**

The components of the change in Consumer Solutions net sales were as follows:

	2022 vs 2021	2021 vs 2020
Volume	(10.9)%	23.8 %
Price	15.0	5.7
Core growth	4.1	29.5
Acquisition	8.8	4.3
Currency	(1.0)	0.6
Total	11.9 %	34.4 %

The 11.9 percent increase in net sales for Consumer Solutions in 2022 from 2021 was primarily the result of:

- increases in selling prices to mitigate impacts of inflation;
- increased sales due to the acquisitions of Manitowoc Ice, Pleatco and KBI completed in the third quarter of 2022, the fourth quarter of 2021 and the second quarter of 2021, respectively; and
- increased sales volume in our commercial water solutions business in 2022 compared to the prior year.

The increase was partially offset by:

- decreased sales volume in our pool and residential water treatment businesses in 2022 compared to the prior year; and

- unfavorable foreign currency effects compared to 2021.

#### Segment income

The components of the change in Consumer Solutions segment income as a percentage of net sales from the prior period were as follows:

	2022	2021
Growth/Price/Acquisition	10.8 pts	5.0 pts
Currency	—	(0.1)
Inflation	(9.2)	(7.7)
Productivity	(2.0)	2.5
<b>Total</b>	<b>(0.4) pts</b>	<b>(0.3) pts</b>

The 0.4 percentage point decrease in segment income for Consumer Solutions as a percentage of net sales in 2022 from 2021 was primarily the result of:

- inflationary cost increases due to high demand and limited supply of raw materials such as metals, resins and electronics along with increased logistics and labor costs; and
- decreased productivity in our pool and residential water treatment businesses due to decreased sales volume.

This decrease was partially offset by:

- increases in selling prices to mitigate the impacts of inflation; and
- the income of the Manitowoc Ice business that was acquired in the third quarter of 2022.

#### Industrial & Flow Technologies

The net sales and segment income for Industrial & Flow Technologies were as follows:

In millions	Years ended December 31			% / point change	
	2022	2021	2020	2022 vs 2021	2021 vs 2020
Net sales	\$ 1,500.8	\$ 1,421.4	\$ 1,273.6	5.6 %	11.6 %
Segment income	242.3	213.3	164.6	13.6 %	29.6 %
% of net sales	16.1 %	15.0 %	12.9 %	1.1 pts	2.1 pts

#### Net sales

The components of the change in Industrial & Flow Technologies net sales were as follows:

	2022 vs 2021	2021 vs 2020
Volume	(0.7)%	5.9 %
Price	10.4	3.2
Core growth	9.7	9.1
Acquisition/Divestiture	—	0.4
Currency	(4.1)	2.1
<b>Total</b>	<b>5.6 %</b>	<b>11.6 %</b>

The 5.6 percent increase in net sales for Industrial & Flow Technologies in 2022 from 2021 was primarily the result of:

- increases in selling prices to mitigate inflationary cost increases; and
- increased sales volume in our industrial solutions business in 2022 due to continued recovery in our project sales.

This increase was partially offset by:

- decreased sales volume in our residential and irrigation flow businesses in 2022 compared to the prior year; and
- unfavorable foreign currency effects in 2022 compared to 2021.

### Segment income

The components of the change in Industrial & Flow Technologies segment income as a percentage of net sales from the prior period were as follows:

	2022	2021
Growth/Price/Acquisition	9.6 pts	3.6 pts
Currency	(0.1)	0.1
Inflation	(7.4)	(3.9)
Productivity	(1.0)	2.3
Total	1.1 pts	2.1 pts

The 1.1 percentage point increase in segment income for Industrial & Flow Technologies as a percentage of net sales in 2022 from 2021 was primarily the result of:

- increases in selling prices to mitigate inflationary cost increases.

This increase was partially offset by:

- inflationary cost increases due to high demand and tight supply of metals and resins along with increased logistics costs due to supply chain constraints and labor costs due to workforce shortages; and
- decreased productivity due to supply chain and plant inefficiencies.

### BACKLOG OF ORDERS BY SEGMENT

In millions	December 31			
	2022	2021	\$ change	% change
Consumer Solutions	\$ 483.1	\$ 1,073.7	\$(590.6)	(55.0)%
Industrial & Flow Technologies	512.1	446.3	65.8	14.7 %
Total	\$ 995.2	\$ 1,520.0	\$(524.8)	(34.5)%

The majority of our backlog is short cycle in nature with shipments within one year from when a customer places an order and a substantial portion of our revenues has historically resulted from orders received and products delivered in the same month. A portion of our backlog, particularly from orders for major capital projects, can take more than one year from order to delivery depending on the size and type of order. We record, as part of our backlog, all orders from external customers, which represent firm commitments, and are supported by a purchase order or other legitimate contract. Our backlog of orders is dependent upon when customers place orders and is not necessarily an indicator of our expected results for our 2023 net sales.

The decrease in our backlog in our Consumer Solutions segment from the prior year was primarily driven by pool backlog trending down to more historical levels due to increased manufacturing capacity, improved lead times and customers balancing the need to place new orders with market demand and channel inventory levels.

### 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 facility has 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 experience seasonal cash flows primarily due to seasonal demand in a number of markets. Consistent with historical trends, we experienced seasonal cash usage in the first quarter of 2022 and drew on our revolving credit facility to fund our operations. This cash usage reversed in the second quarter of 2022 as the seasonality of our businesses peaked and generated significant cash to fund our operations. In the second half of 2022, we funded our operations using our strong cash flow and revolving credit facility.

End-user demand for pool and certain pumping equipment follows warm weather trends and historically has been at seasonal highs from April to August. The magnitude of the sales spike has historically been 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 temperature, heavy flooding and droughts.

On July 28, 2022, as part of our Consumer Solutions reporting segment, we completed the acquisition of Manitowoc Ice for approximately \$1.6 billion in cash. We funded the purchase price for this acquisition with net proceeds from our term loan facility, the issuance of the 2032 Senior Notes and borrowings under our revolving credit facility, as well as cash on hand.

### Summary of Cash Flows

In millions	Years ended December 31		
	2022	2021	2020
Cash provided by (used for):			
Operating activities of continuing operations	\$ 364.3	\$ 613.6	\$ 574.2
Investing activities	(1,582.8)	(390.7)	(117.9)
Financing activities	1,232.7	(222.2)	(435.9)

#### Operating activities

In 2022, net cash provided by operating activities of continuing operations primarily reflects net income from continuing operations of \$615.4 million, net of non-cash depreciation, amortization and asset impairment. Additionally, we had a cash outflow of \$218.7 million as a result of changes in net working capital, primarily due to increased inventory balances compared to December 31, 2021. Inventory was higher due to inflationary impacts, continued supply chain inefficiencies and a rebalancing of inventory levels in the residential channel.

In 2021, net cash provided by operating activities of continuing operations primarily reflects net income from continuing operations of \$633.5 million, net of non-cash depreciation and amortization. Additionally, we had a cash outflow of \$20.8 million as a result of changes in net working capital, primarily due to increased sales demand and inflationary impacts leading to higher accounts receivable, inventory, accounts payable and other current liabilities balances.

#### Investing activities

Net cash used for investing activities in 2022 primarily reflects the net cash paid of \$1,579.5 million for the Manitowoc Ice acquisition and capital expenditures of \$85.2 million, partially offset by cash received upon the settlement of net investment hedges of \$78.9 million.

Net cash used for investing activities in 2021 primarily reflects capital expenditures of \$60.2 million and cash paid for acquisitions of \$338.5 million in our Consumer Solutions and Industrial & Flow Technologies reporting segments, net of cash acquired.

#### Financing activities

In 2022, net cash provided by financing activities primarily relates to net borrowings of revolving long-term debt of \$124.5 million, net proceeds received from the Term Loan Facility and issuance of the 2032 Senior Notes of \$1,391.3 million used to finance the Manitowoc Ice acquisition and net cash receipts upon the settlement of cross currency swaps of \$12.3 million, partially offset by dividend payments of \$138.6 million, repayment of \$88.3 million senior fixed notes, share repurchases of \$50.0 million and payments of debt issuance costs of \$15.8 million.

In 2021, net cash used for financing activities primarily relates to repayment of \$103.8 million of senior notes, \$150.0 million of share repurchases, dividend payments of \$133.0 million and payments upon maturity of cross currency swaps of \$14.7 million, partially offset by net borrowings of revolving long-term debt of \$159.4 million.

### Free Cash Flow

In addition to measuring our cash flow generation or usage based upon operating, investing and financing classifications included in the 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 is equal to 100 percent conversion of net income. Free cash flow is a non-U.S. 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, repurchase shares and repay debt. 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>	Years ended December 31		
	2022	2021	2020
Net cash provided by operating activities of continuing operations	\$ 364.3	\$ 613.6	\$ 574.2
Capital expenditures of continuing operations	(85.2)	(60.2)	(62.2)
Proceeds from sale of property and equipment of continuing operations	4.1	3.9	0.1
Free cash flow from continuing operations	\$ 283.2	\$ 557.3	\$ 512.1
Net cash used for operating activities of discontinued operations	(1.0)	(0.4)	(0.6)
Free cash flow	\$ 282.2	\$ 556.9	\$ 511.5

### Debt and Capital

Pentair, Pentair Finance S.à r.l (“PFSA”) and Pentair, Inc. are parties to a credit agreement (the “Senior Credit Facility”), with Pentair as guarantor and PFSA and Pentair, Inc. as borrowers, which was amended and restated in December 2021 and further amended in December 2022, providing for a \$900.0 million senior unsecured revolving credit facility and a \$200.0 million senior unsecured term loan facility. The revolving credit facility has a maturity date of December 16, 2026 and the term loan facility has a maturity date of December 16, 2024. Borrowings under the Senior Credit Facility bear interest at a rate equal to an alternate base rate, adjusted term secured overnight financing rate, adjusted euro interbank offered rate, adjusted daily simple secured overnight financing rate or central bank rate, plus, in each case, an applicable margin. The applicable margin is based on, at PFSA’s election, Pentair’s leverage level or PFSA’s public credit rating.

As of December 31, 2022, total availability under the Senior Credit Facility was \$580.0 million. In addition, PFSA has the option to request to increase the revolving credit facility and/or to enter into one or more additional tranches of term loans in an aggregate amount of up to \$300.0 million, subject to customary conditions, including the commitment of the participating lenders.

In March 2022, in contemplation of the acquisition of Manitowoc Ice, Pentair and PFSA entered into a Loan Agreement among PFSA, as borrower, Pentair, as guarantor, and the lenders and agents party thereto, providing for a \$600.0 million senior unsecured term loan facility (the “Term Loan Facility”). In June 2022, the Term Loan Facility was amended to increase the facility by \$400.0 million to an aggregate principal amount of \$1.0 billion. The Term Loan Facility has a maturity date of July 28, 2027, with required quarterly installment payments of \$6.3 million beginning on the last day of the third quarter of 2023 and increasing to \$12.5 million beginning with the last day of the third quarter of 2024. The Term Loan Facility bears interest at a rate equal to an alternate base rate, adjusted term secured overnight financing rate, or adjusted daily simple secured overnight financing rate, plus, in each case, an applicable margin. The applicable margin is based on, at PFSA’s election, Pentair’s leverage level or PFSA’s public credit rating.

In July 2022, in contemplation of the acquisition of Manitowoc Ice, Pentair, as guarantor, and PFSA, as issuer, completed a public offering of \$400.0 million aggregate principal amount of 5.900% Senior Notes due 2032 (“2032 Senior Notes”).

We used the net proceeds from the Term Loan Facility and the issuance of the 2032 Senior Notes to finance a portion of the Manitowoc Ice acquisition purchase price and to pay related fees and expenses.

Our debt agreements contain various financial covenants, but the most restrictive covenants are contained in the Senior Credit Facility and the Term Loan Facility. The Senior Credit Facility and the Term Loan Facility contain covenants requiring us not to permit (i) the ratio of our consolidated debt (net of our consolidated unrestricted cash and cash equivalents in excess of \$5.0 million but not to exceed \$250.0 million) to our consolidated net income (excluding, among other things, non-cash gains and losses) before interest, taxes, depreciation, amortization and non-cash share-based compensation expense (“EBITDA”) on the last day of any period of four consecutive fiscal quarters (each, a “testing period”) to exceed 3.75 to 1.00 (or, at PFSA’s election and subject to certain conditions, 4.25 to 1.00 for four testing periods in connection with certain material acquisitions) (the “Leverage Ratio”) and (ii) the ratio of our EBITDA to our consolidated interest expense, 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 Senior Credit Facility and the Term Loan Facility provide for the calculation of EBITDA giving pro forma effect to certain acquisitions, divestitures and liquidations during the period to which such calculation relates.

In addition to the Senior Credit Facility and the Term Loan Facility, we have various other credit facilities with an aggregate availability of \$21.0 million, of which there were no outstanding borrowings at December 31, 2022. Borrowings under these credit facilities bear interest at variable rates.

We have \$12.5 million of Term Loan Facility payments due in the next twelve months. We classified this debt as long-term as of December 31, 2022 as we have the intent and ability to refinance such obligation on a long-term basis under the revolving credit facility under the Senior Credit Facility.

As of December 31, 2022, we had \$89.6 million of cash held in certain countries in which the ability to repatriate is limited due to local regulations or significant potential tax consequences.

#### *Authorized shares*

Our authorized share capital consists of 426.0 million ordinary shares with a par value of \$0.01 per share.

#### *Share Repurchases*

In May 2018, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of \$750.0 million (the “2018 Authorization”). The 2018 Authorization expired on May 31, 2021. In December 2020, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of \$750.0 million (the “2020 Authorization”). The 2020 Authorization expires on December 31, 2025. The 2020 Authorization supplemented the 2018 Authorization.

During the year ended December 31, 2021, we repurchased 2.1 million of our ordinary shares for \$150.0 million, of which 0.8 million shares, or \$50.0 million, and 1.3 million shares, or \$100.0 million, were repurchased pursuant to the 2018 Authorization and 2020 Authorization, respectively.

During the year ended December 31, 2022, we repurchased 1.0 million of our ordinary shares for \$50.0 million under the 2020 Authorization. As of December 31, 2022, we had \$600.0 million available for share repurchases under the 2020 Authorization.

#### *Dividends*

On December 12, 2022, the Board of Directors approved a 5 percent increase in the Company’s regular quarterly dividend rate (from \$0.21 per share to \$0.22 per share) that was paid on February 3, 2023 to shareholders of record at the close of business on January 20, 2023. The balance of dividends payable included in *Other current liabilities* on our Consolidated Balance Sheets was \$36.2 million at December 31, 2022. Dividends paid per ordinary share were \$0.84, \$0.80 and \$0.76 for the years ended December 31, 2022, 2021 and 2020, respectively.

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. GAAP reported amount (e.g., retained earnings). Our distributable reserve balance was \$7.1 billion and \$8.4 billion as of December 31, 2022 and 2021, respectively.

#### *Supplemental guarantor information*

Pentair plc (the “Parent Company Guarantor”), fully and unconditionally, guarantees the senior notes of PFSA (the “Subsidiary Issuer”). The Subsidiary Issuer is a Luxembourg private limited liability company and 100 percent-owned subsidiary of the Parent Company Guarantor.

The Parent Company Guarantor is a holding company established to own directly and indirectly substantially all of its operating and other subsidiaries. The Subsidiary Issuer is a holding company formed to own directly and indirectly substantially all of its operating and other subsidiaries and to issue debt securities, including the senior notes. The Parent Company Guarantor's principal source of cash flow, including cash flow to make payments on the senior notes pursuant to the guarantees, is dividends from its subsidiaries. The Subsidiary Issuer's principal source of cash flow is interest income from its subsidiaries. None of the subsidiaries of the Parent Company Guarantor or the Subsidiary Issuer is under any direct obligation to pay or otherwise fund amounts due on the senior notes or the guarantees, whether in the form of dividends, distributions, loans or other payments. In addition, there may be statutory and regulatory limitations on the payment of dividends from certain subsidiaries of the Parent Company Guarantor or the Subsidiary Issuer. If such subsidiaries are unable to transfer funds to the Parent Company Guarantor or the Subsidiary Issuer and sufficient cash or liquidity is not otherwise available, the Parent Company Guarantor or the Subsidiary Issuer may not be able to make principal and interest payments on their outstanding debt, including the senior notes or the guarantees.

The following table presents summarized financial information as of December 31, 2022 for the Parent Company Guarantor and Subsidiary Issuer on a combined basis after elimination of (i) intercompany transactions and balances among the guarantors and issuer and (ii) equity in earnings from and investments in any subsidiary that is a non-Guarantor or issuer.

<i>In millions</i>	<b>December 31, 2022</b>
Current assets <sup>(1)</sup>	\$ 2.4
Noncurrent assets <sup>(2)</sup>	2,677.4
Current liabilities <sup>(3)</sup>	1,068.6
Noncurrent liabilities <sup>(4)</sup>	2,640.3

<sup>(1)</sup> No assets due from non-guarantor subsidiaries were included.

<sup>(2)</sup> Includes assets due from non-guarantor subsidiaries of \$2,664.7 million.

<sup>(3)</sup> Includes liabilities due to non-guarantor subsidiaries of \$989.8 million.

<sup>(4)</sup> Includes liabilities due to non-guarantor subsidiaries of \$259.8 million.

The Parent Company Guarantor and Subsidiary Issuer do not have material results of operations on a combined basis.

#### **Material cash requirements from contractual obligations and commitments**

We expect to continue to have sufficient cash and borrowing capacity 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 to meet our short-term and long-term cash requirements by using available cash and internally generated funds and to borrow under our committed and uncommitted credit facilities. The following summarizes our material cash requirements from significant contractual obligations and purchase commitments that impact our liquidity as of December 31, 2022:

<i>In millions</i>	<b>Next Twelve Months</b>	<b>Greater Than Twelve Months</b>	<b>Total</b>
Debt obligations (Note 8)	\$ 12.5	\$ 2,326.8	\$ 2,339.3
Interest obligations on fixed-rate debt	42.5	322.2	364.7
Operating lease obligations, net of sublease rentals (Note 15)	32.2	55.8	88.0
Purchase and marketing obligations	19.8	14.8	34.6
Pension and other post-retirement plan contributions (Note 11)	9.3	75.3	84.6
<b>Total contractual obligations, net</b>	<b>\$ 116.3</b>	<b>\$ 2,794.9</b>	<b>\$ 2,911.2</b>

The majority of the purchase obligations represent commitments for raw materials to be utilized in the normal course of business. For purposes of the above table, arrangements are considered purchase obligations if a contract specifies all significant terms, including fixed or minimum quantities to be purchased, a pricing structure and approximate timing of the transaction.

In addition to the significant contractual obligations described above, we will incur annual interest expense on outstanding variable rate debt. As of December 31, 2022, variable interest rate debt was \$1,520.0 million at a weighted average interest rate of 5.64%.

The total gross liability for uncertain tax positions at December 31, 2022 was estimated to be \$39.6 million. We record penalties and interest related to unrecognized tax benefits in *Provision for income taxes* and *Net interest expense*, respectively, which is consistent with our past practices. As of December 31, 2022, we had recorded \$0.6 million for the possible payment of penalties and \$4.9 million related to the possible payment of interest.

## COMMITMENTS AND CONTINGENCIES

We have been, and in the future may be, made parties to a number of actions filed or have been, and in the future may be, given notice of potential claims relating to the conduct of our business, including those relating to commercial, regulatory or contractual disputes with suppliers, authorities, customers or parties to acquisitions and divestitures, intellectual property matters, environmental, asbestos, safety and health matters, product liability, the use or installation of our products, consumer matters, and employment and labor 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 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 and applicable accounting rules. 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 ITEM 8, Note 15 of the Notes to Consolidated Financial Statements could change 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. See discussion in ITEM 1 and ITEM 8, Note 1 of the Notes to Consolidated Financial Statements — 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.

### **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 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 December 31, 2022 and 2021, the outstanding value of bonds, letters of credit and bank guarantees totaled \$99.7 million and \$104.5 million, respectively.

## CRITICAL ACCOUNTING POLICIES

We have adopted various accounting policies to prepare the consolidated financial statements in accordance with U.S. GAAP. Our significant accounting policies are more fully described in ITEM 8, Note 1 of the Notes to Consolidated Financial Statements. Certain accounting policies require the application of significant judgment by management in selecting the appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry and information available from other outside sources, as appropriate. We consider an accounting estimate to be critical if:

- it requires us to make assumptions about matters that were uncertain at the time we were making the estimate; and
- changes in the estimate or different estimates that we could have selected would have had a material impact on our financial condition or results of operations.

Our critical accounting estimates include the following:

**Impairment of goodwill and indefinite-lived intangibles**

**Goodwill**

Goodwill represents the excess of the cost of acquired businesses over the net of the fair value of identifiable tangible net assets and identifiable intangible assets purchased and liabilities assumed.

We test our goodwill for impairment at least annually during the fourth quarter or more frequently if events or changes in circumstances indicate that the asset might be impaired. We perform our annual or interim goodwill impairment test by comparing the fair value of the relevant reporting unit with its carrying amount. We would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit.

We have the option to perform a qualitative assessment to determine whether it is necessary to perform the quantitative goodwill impairment test. However, we may elect to perform the quantitative goodwill impairment test even if no indications of a potential impairment exist.

During 2022 and 2021, a qualitative assessment was performed. As a result, it was determined that it was more likely than not that the fair value of the reporting units exceeded their respective carrying values. Factors considered in the analysis included the 2020 discounted cash flow fair value assessment of the reporting units and the calculated excess fair value over carrying amount, financial performance, forecasts and trends, market capitalization, regulatory and environmental issues, macro-economic conditions, industry and market considerations, raw material costs and management stability. We also consider the extent to which each of the adverse events and circumstances identified affect the comparison of the respective reporting unit's fair value with its carrying amount. We place more weight on the events and circumstances that most affect the respective reporting unit's fair value or the carrying amount of its net assets. We consider positive and mitigating events and circumstances that may affect its determination of whether it is more likely than not that the fair value exceeds the carrying amount.

**Identifiable intangible assets**

Our primary identifiable intangible assets include: customer relationships, trade names, proprietary technology and patents. Identifiable intangibles with finite lives are amortized and those identifiable intangibles with indefinite lives are not amortized. Identifiable intangible assets that are subject to amortization are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment charge of \$2.7 million was recorded in 2022 related to the write-off of a proprietary technology intangible asset as a result of restructuring initiatives implemented in the fourth quarter of 2022. The impairment charge was recorded in *Selling, general and administrative* in our Consolidated Statements of Operations and Comprehensive Income.

Identifiable intangible assets not subject to amortization are tested for impairment annually or more frequently if events warrant. We complete our annual impairment test the first day of the fourth quarter each year for those identifiable assets not subject to amortization. The impairment test for trade names consists of a comparison of the fair value of the trade name with its carrying value. Fair value 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. The non-recurring fair value measurement is a "Level 3" measurement under the fair value hierarchy. No impairment charges were recognized in 2022 or 2021 as a result of our annual impairment assessment.

**Business combinations**

Assets and liabilities acquired in a business combination are recorded at their estimated fair values at the acquisition date. Goodwill is recorded when the purchase price exceeds the estimated fair value of the net identifiable tangible and intangible assets acquired. Estimates of intangible asset fair value represent management's best estimate of assumptions and about future events and uncertainties, including significant judgments related to future cash flows, discount rates, margin and revenue growth assumptions, royalty rates, customer attrition rates, useful lives and others. Inputs used are generally obtained from historical data supplemented by current and anticipated market conditions and growth rates. If the actual results differ from the estimates and judgments used in these fair values, the amounts recorded in the consolidated financial statements could result in a possible impairment of the intangible assets and goodwill or require acceleration of the amortization expense of finite-lived intangible assets.

Allocations of the purchase price for acquisitions are based on estimates of the fair value of the net assets acquired and are subject to adjustment upon finalization of the purchase price allocation. During this measurement period, we will adjust assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date that, if known,

would have resulted in the recognition of those assets and liabilities as of that date. All changes that do not qualify as measurement period adjustments are included in current period earnings.

#### ***Pension and other post-retirement plans***

We sponsor U.S. and non-U.S. defined-benefit pension and other post-retirement plans. The amounts recognized in our consolidated financial statements related to our defined-benefit pension and other post-retirement plans are determined from actuarial valuations. Inherent in these valuations are assumptions, including: expected return on plan assets, discount rates, rate of increase in future compensation levels and health care cost trend rates. These assumptions are updated annually and are disclosed in ITEM 8, Note 11 to the Notes to Consolidated Financial Statements. Differences in actual experience or changes in assumptions may affect our pension and other post-retirement obligations and future expense.

We recognize changes in the fair value of plan assets and net actuarial gains or losses for pension and other post-retirement benefits annually in the fourth quarter each year ("mark-to-market adjustment") and, if applicable, in any quarter in which an interim re-measurement is triggered. Net actuarial gains and losses occur when the actual experience differs from any of the various assumptions used to value our pension and other post-retirement plans or when assumptions change as they may each year. The primary factors contributing to actuarial gains and losses each year are (1) changes in the discount rate used to value pension and other post-retirement benefit obligations as of the measurement date and (2) differences between the expected and the actual return on plan assets. This accounting method also results in the potential for volatile and difficult to forecast mark-to-market adjustments. Mark-to-market adjustments resulted in pre-tax gains of \$17.5 million and \$2.4 million in 2022 and 2021, respectively, and a pre-tax loss of \$6.7 million in 2020. The remaining components of pension expense, including service and interest costs and the expected return on plan assets, are recorded on a quarterly basis as ongoing pension expense.

#### ***Discount rates***

The discount rate reflects the current rate at which the pension liabilities could be effectively settled at the end of the year based on our December 31 measurement date. The discount rate was determined by matching our expected benefit payments to payments from a stream of bonds rated AA or higher available in the marketplace. There are no known or anticipated changes in our discount rate assumptions that will impact our pension expense in 2023.

#### ***Expected rate of return***

The expected rate of return is designed to be a long-term assumption that may be subject to considerable year-to-year variance from actual returns. In developing the expected long-term rate of return, we considered our historical returns, with consideration given to forecasted economic conditions, our asset allocations, input from external consultants and broader long-term market indices.

#### ***Sensitivity to changes in key assumptions***

A 100 basis point increase or decrease in the discount rates used to measure our pension and other post-retirement benefit plans would result in a \$7.1 million increase or \$6.1 million decrease in our total projected benefit obligation. A 100 basis point increase or decrease in the assumed rate of return on pension assets or discount rates for our pension and other post-retirement benefit plans would result in an immaterial change in our ongoing pension expense. These estimates exclude any potential mark-to-market adjustments.

#### ***Loss contingencies***

Accruals are recorded for various contingencies including legal proceedings, self-insurance and other claims that arise in the normal course of business. The accruals are based on judgment, the probability of losses and, where applicable, the consideration of opinions of internal and/or external legal counsel and actuarial estimates. Additionally, we record receivables from third party insurers when recovery has been determined to be probable.

#### ***Income taxes***

In determining taxable income for financial statement purposes, we must make certain estimates and judgments. These estimates and judgments affect the calculation of certain tax liabilities and the determination of the recoverability of certain of the deferred tax assets, which arise from temporary differences between the tax and financial statement recognition of revenue and expense. In evaluating our ability to recover our deferred tax assets we consider all available positive and negative evidence including our past operating results, the existence of cumulative losses in the most recent years and our forecast of future taxable income. In estimating future taxable income, we develop assumptions including the amount of future pre-tax operating income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment about the forecasts of future taxable income and are consistent with the plans and estimates we are using to manage the underlying businesses.

We currently have recorded valuation allowances that we will maintain until when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will be realized. Our income tax expense recorded in the future may be reduced to the extent of decreases in our valuation allowances. The realization of our remaining deferred tax assets is primarily dependent on future taxable income in the appropriate jurisdiction. Any reduction in future taxable income including but not limited to any future restructuring activities may require that we record an additional valuation allowance against our deferred tax assets. An increase in the valuation allowance could result in additional income tax expense in such period and could have a significant impact on our future earnings.

Changes in tax laws and rates could also affect recorded deferred tax assets and liabilities in the future. Management records the effect of a tax rate or law change on the Company's deferred tax assets and liabilities in the period of enactment. Future tax rate or law changes could have a material effect on the Company's financial condition, results of operations or cash flows.

In addition, the calculation of our tax liabilities involves dealing with uncertainties in the application of complex tax regulations in a multitude of jurisdictions across our global operations. We perform reviews of our income tax positions on a quarterly basis and accrue for uncertain tax positions. We recognize potential liabilities and record tax liabilities for anticipated tax audit issues in the tax jurisdictions in which we operate based on our estimate of whether, and the extent to which, additional taxes will be due. These tax liabilities are reflected net of related tax loss carryforwards. As events change or resolution occurs, these liabilities are adjusted, such as in the case of audit settlements with taxing authorities. The ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. If our estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities would result in tax benefits being recognized in the period when we determine the liabilities are no longer necessary.

#### **ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risk is the potential economic loss that may result from adverse changes in the fair value of financial instruments. We are exposed to various market risks, including changes in interest rates and foreign currency rates. Periodically, we use derivative financial instruments to manage or reduce the impact of changes in interest rates and foreign currency rates. Counterparties to all derivative contracts are major financial institutions. All instruments are entered into for other than trading purposes. The major accounting policies and utilization of these instruments is described more fully in ITEM 8, Note 1 of the Notes to Consolidated Financial Statements.

##### ***Interest rate risk***

Our debt portfolio as of December 31, 2022, was comprised of debt predominantly denominated in U.S. dollars. This debt portfolio is comprised of 35% fixed-rate debt and 65% variable-rate debt. Changes in interest rates have different impacts on the fixed and variable-rate portions of our debt portfolio. A change in interest rates on the fixed portion of the debt portfolio impacts the fair value, but has no impact on interest incurred or cash flows. A change in interest rates on the variable portion of the debt portfolio impacts the interest incurred and cash flows but does not impact the net financial instrument position.

Based on the fixed-rate debt included in our debt portfolio, as of December 31, 2022, a 100 basis point increase or decrease in interest rates would result in a \$50.1 million decrease or \$54.3 million increase in fair value, respectively.

Based on the variable-rate debt included in our debt portfolio as of December 31, 2022, a 100 basis point increase or decrease in interest rates would result in a \$15.2 million increase or decrease in interest incurred.

##### ***Foreign currency risk***

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. Periodically, we use derivative financial instruments to manage these risks. The functional currencies of our foreign operating locations are generally the local currency in the country of domicile. We manage these operating activities at the local level and revenues, costs, assets and liabilities are generally denominated in local currencies, thereby mitigating the risk associated with changes in foreign exchange. However, our results of operations and assets and liabilities are reported in U.S. dollars and thus will fluctuate with changes in exchange rates between such local currencies and the U.S. dollar.

From time to time, we may enter into short duration foreign currency contracts to hedge foreign currency risks. As the majority of our foreign currency contracts have an original maturity date of less than one year, there is no material foreign currency risk. At December 31, 2022, we had outstanding foreign currency derivative contracts with gross notional U.S. dollar equivalent amounts of \$9.4 million. Changes in the fair value of all derivatives are recognized immediately in income unless the derivative qualifies as a hedge of future cash flows. Gains and losses related to a hedge are deferred and recorded in the Consolidated Balance Sheets as a component of *Accumulated other comprehensive loss* and subsequently recognized in the Consolidated Statements of Operations and Comprehensive Income when the hedged item affects earnings.

At December 31, 2022, we had outstanding cross currency swap agreements with a combined notional amount of \$746.3 million. The cross currency swap agreements are accounted for as either cash flow hedges to hedge foreign currency fluctuations on certain intercompany debt, or as net investment hedges to manage our exposure to fluctuations in the Euro-U.S. Dollar exchange rate. The currency risk related to the cross currency swap agreements is measured by estimating the potential impact of a 10% change in the value of the U.S. dollar relative to the Euro. A 10% appreciation or a 10% depreciation of the U.S. dollar relative to the Euro would result in a change in accumulated other comprehensive income of approximately \$55 million. However, the change in other comprehensive income would be offset by decreases or increases in the hedged items on our balance sheet.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

### MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Pentair plc and its subsidiaries (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934. The Company's internal control over financial reporting is designed 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. The Company's internal control over financial reporting includes those policies and procedures that (1) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2022. In making this assessment, management used the criteria for effective internal control over financial reporting described in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes that, as of December 31, 2022, the Company's internal control over financial reporting was effective based on those criteria.

The Company completed its acquisition of Welbilt's Manitowoc Ice business ("Manitowoc Ice") on July 28, 2022. The Company is continuing to integrate Manitowoc Ice into its internal control over financial reporting, and management's evaluation of the effectiveness of the Company's internal control over financial reporting excluded Manitowoc Ice as of December 31, 2022, as permitted by guidance issued by the Securities and Exchange Commission. Manitowoc Ice accounted for approximately 2% of total assets, excluding acquired goodwill and identifiable intangible assets which are included within the scope of management's assessment, and 4% of total net sales included within the consolidated financial statements of Pentair plc and its subsidiaries as of and for the fiscal year ended December 31, 2022.

Our independent registered public accounting firm, Deloitte & Touche LLP, has issued an attestation report on the Company's internal control over financial reporting as of December 31, 2022. That attestation report is set forth immediately following this management report.

John L. Stauch  
*President and Chief Executive Officer*

Robert P. Fishman  
*Executive Vice President, Chief Financial Officer and Chief Accounting Officer*

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Pentair plc

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Pentair plc and subsidiaries (the "Company") as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2022, of the Company and our report dated February 21, 2023, expressed an unqualified opinion on those financial statements.

As described in *Management's Report on Internal Control over Financial Reporting*, management excluded from its assessment the internal control over financial reporting at Manitowoc Ice, which was acquired on July 28, 2022, and whose financial statements constitute approximately 2% of total assets (excluding acquired goodwill and identifiable intangible assets which are included within the scope of management's assessment) and 4% of total net sales of the consolidated financial statement amounts as of and for the year ended December 31, 2022. Accordingly, our audit did not include the internal control over financial reporting at Manitowoc Ice.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota  
February 21, 2023

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Pentair plc

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Pentair plc and subsidiaries (the “Company”) as of December 31, 2022 and 2021, the related consolidated statements of operations and comprehensive income, cash flows, and changes in equity, for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2023, expressed an unqualified opinion on the Company’s internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

#### ***Income Taxes — Completeness of Uncertain Tax Positions — Refer to Notes 1 and 10 to the financial statements***

##### *Critical Audit Matter Description*

The Company assesses uncertain tax positions (“UTPs”) based upon an evaluation of available information and records a liability when a position taken or expected to be taken in a tax return does not meet certain measurement or recognition criteria. A tax benefit is recognized only if management believes it is more likely than not that the tax position will be sustained upon examination by the relevant tax authority. Determining the completeness of UTPs is complex and significant judgment is involved in identifying which positions may not meet the required measurement or recognition criteria. As of December 31, 2022, the Company’s recorded UTP balance was \$39.6 million.

The UTP analysis is complex as it includes numerous tax jurisdictions and varying applications of tax laws. Given the multiple jurisdictions in which the Company operates and the complexity of tax regulations, auditing the completeness of UTPs involved a high degree of auditor judgment, and an increased extent of audit effort, including the need to involve our tax specialists.

#### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures to evaluate the completeness of UTPs in material jurisdictions included the following, among others:

- We tested the effectiveness of controls over management’s determination of the existence of UTPs.
- With the assistance of our income tax specialists, we assessed the Company’s determination of the existence of UTPs. In particular, our procedures included:
  - Evaluating the Company’s significant judgments related to completeness of UTPs in material jurisdictions:
    - We performed inquiries of management to assess whether they are aware of any new items or significant changes to the business that would impact the UTP assessment or give rise to new UTPs.
    - We evaluated the following: technical merits of existing UTPs, technical merits of potential UTPs, and significant transactions and their tax implications, including the completeness and accuracy of the underlying data supporting the transactions.
    - We assessed the appropriateness and consistency of management’s methods and assumptions used in identifying UTPs.
    - We evaluated former and ongoing tax audits by tax authorities.
    - We considered changes in and assessed the Company’s interpretation of applicable tax laws.
    - We inspected the Company’s summary of differences between the filed tax returns and the tax provision to obtain an understanding of significant differences. We assessed whether the appropriate UTPs were recorded as well as whether any additional UTPs needed to be considered.

#### **Acquisitions - Valuation of Manitowoc Ice Acquired Customer Relationship Intangible Asset — Refer to Note 2 to the financial statements**

##### *Critical Audit Matter Description*

On July 28, 2022, the Company completed the acquisition of Welbilt Inc.’s Manitowoc Ice business (“Manitowoc Ice”) for consideration paid of \$1.6 billion. The Company accounted for the acquisition under the acquisition method of accounting for business combinations. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their respective fair values, including a customer relationship intangible asset of \$588.4 million. Management estimated the fair value of the customer relationship intangible asset using the multi-period excess earnings method, which is a specific discounted cash flow method. The fair value determination of the customer relationship intangible asset required management to make significant estimates and assumptions related to future cash flows, including margin and revenue growth assumptions, and the selection of the discount and customer attrition rates.

We identified the valuation of the Manitowoc Ice customer relationship intangible asset as a critical audit matter because of the significant estimates and assumptions management made to estimate the fair value of this asset. This required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists, when performing audit procedures to evaluate the reasonableness of management’s forecasts of future cash flows, including margin and revenue growth assumptions, and the selection of the discount and customer attrition rates for the customer relationship intangible asset.

#### *How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the forecasts of future cash flows, including the margin and revenue growth rates, and the selection of the discount and customer attrition rates for the acquired customer relationship intangible asset included the following, among others:

- We tested the effectiveness of controls over the valuation of the acquired customer relationship intangible asset, including management’s controls over forecasts of future cash flows, including margin and revenue growth assumptions, and the selection of the discount and customer attrition rates.
- We assessed the reasonableness of management’s forecasts of future cash flows, including margin and revenue growth assumptions, by comparing the projections to historical results for Manitowoc Ice, certain peer companies’ historical results, and industry reports.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the (1) valuation methodology and (2) the discount and customer attrition rates by:

- Testing the source information underlying the determination of the discount and customer attrition rates.
- Comparing the selected customer attrition rate to the historical customer attrition rate observed by Manitowoc Ice.
- Testing the mathematical accuracy of the discount and customer attrition rate calculations.
- Developing a range of independent estimates and comparing those to the discount rate selected by management

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota  
February 21, 2023

*We have served as the Company's auditor since 1977.*

**Pentair plc and Subsidiaries**  
**Consolidated Statements of Operations and Comprehensive Income**

<i>In millions, except per-share data</i>	Years ended December 31		
	2022	2021	2020
Net sales	\$ 4,121.8	\$ 3,764.8	\$ 3,017.8
Cost of goods sold	2,757.2	2,445.6	1,960.2
Gross profit	1,364.6	1,319.2	1,057.6
Selling, general and administrative	677.1	596.4	520.5
Research and development	92.2	85.9	75.7
Operating income	595.3	636.9	461.4
<b>Other (income) expense</b>			
(Gain) loss on sale of businesses	(0.2)	(1.4)	0.1
Net interest expense	61.8	12.5	23.9
Other (income) expense	(16.9)	(1.0)	5.3
Income from continuing operations before income taxes	550.6	626.8	432.1
Provision for income taxes	67.4	70.8	75.0
<b>Net income from continuing operations</b>	483.2	556.0	357.1
(Loss) income from discontinued operations, net of tax	(2.3)	(3.0)	1.5
<b>Net income</b>	<b>\$ 480.9</b>	<b>\$ 553.0</b>	<b>\$ 358.6</b>
<b>Comprehensive income, net of tax</b>			
Net income	\$ 480.9	\$ 553.0	\$ 358.6
Changes in cumulative translation adjustment	(56.4)	(47.0)	49.0
Changes in market value of derivative financial instruments, net of tax	31.3	40.4	(29.8)
<b>Comprehensive income</b>	<b>\$ 455.8</b>	<b>\$ 546.4</b>	<b>\$ 377.8</b>
<b>Earnings (loss) per ordinary share</b>			
<i>Basic</i>			
Continuing operations	\$ 2.93	\$ 3.36	\$ 2.14
Discontinued operations	(0.01)	(0.02)	0.01
<b>Basic earnings per ordinary share</b>	<b>\$ 2.92</b>	<b>\$ 3.34</b>	<b>\$ 2.15</b>
<i>Diluted</i>			
Continuing operations	\$ 2.92	\$ 3.32	\$ 2.13
Discontinued operations	(0.02)	(0.02)	0.01
<b>Diluted earnings per ordinary share</b>	<b>\$ 2.90</b>	<b>\$ 3.30</b>	<b>\$ 2.14</b>
<b>Weighted average ordinary shares outstanding</b>			
Basic	164.8	165.8	166.5
Diluted	165.6	167.5	167.4

*See accompanying notes to consolidated financial statements.*

**Pentair plc and Subsidiaries**  
**Consolidated Balance Sheets**

<i>In millions, except per-share data</i>	December 31	
	2022	2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 108.9	\$ 94.5
Accounts receivable, net of allowances of \$10.8 and \$9.1, respectively	531.5	534.3
Inventories	790.0	562.9
Other current assets	128.1	112.3
<b>Total current assets</b>	<b>1,558.5</b>	<b>1,304.0</b>
<b>Property, plant and equipment, net</b>	<b>344.5</b>	<b>310.0</b>
<b>Other assets</b>		
Goodwill	3,252.6	2,504.5
Intangibles, net	1,094.6	428.0
Other non-current assets	197.3	207.1
<b>Total other assets</b>	<b>4,544.5</b>	<b>3,139.6</b>
<b>Total assets</b>	<b>\$ 6,447.5</b>	<b>\$ 4,753.6</b>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 355.0	\$ 385.7
Employee compensation and benefits	106.0	140.1
Other current liabilities	602.1	525.9
<b>Total current liabilities</b>	<b>1,063.1</b>	<b>1,051.7</b>
<b>Other liabilities</b>		
Long-term debt	2,317.3	894.1
Pension and other post-retirement compensation and benefits	70.8	93.2
Deferred tax liabilities	43.3	89.8
Other non-current liabilities	244.9	202.9
<b>Total liabilities</b>	<b>3,739.4</b>	<b>2,331.7</b>
Commitments and contingencies (Note 15)		
<b>Equity</b>		
Ordinary shares \$0.01 par value, 426.0 authorized, 164.5 and 165.1 issued at December 31, 2022 and 2021, respectively	1.7	1.7
Additional paid-in capital	1,554.9	1,582.7
Retained earnings	1,390.5	1,051.4
Accumulated other comprehensive loss	(239.0)	(213.9)
<b>Total equity</b>	<b>2,708.1</b>	<b>2,421.9</b>
<b>Total liabilities and equity</b>	<b>\$ 6,447.5</b>	<b>\$ 4,753.6</b>

*See accompanying notes to consolidated financial statements.*

**Pentair plc and Subsidiaries**  
**Consolidated Statements of Cash Flows**

<i>In millions</i>	Years ended December 31		
	2022	2021	2020
<b>Operating activities</b>			
Net income	\$ 480.9	\$ 553.0	\$ 358.6
Loss (income) from discontinued operations, net of tax	2.3	3.0	(1.5)
<b>Adjustments to reconcile net income from continuing operations to net cash provided by operating activities of continuing operations</b>			
Equity income of unconsolidated subsidiaries	(1.8)	(0.3)	(1.4)
Depreciation	54.1	51.2	46.7
Amortization	52.5	26.3	28.4
(Gain) loss on sale of businesses	(0.2)	(1.4)	0.1
Deferred income taxes	(44.8)	(9.0)	4.6
Share-based compensation	24.9	29.8	20.3
Asset impairment and write-offs	25.6	—	2.7
Amortization of bridge financing debt issuance costs	9.0	—	—
Pension and other post-retirement (income) expense	(12.2)	2.8	12.2
Pension and other post-retirement contributions	(8.8)	(9.4)	(8.4)
(Gain) loss on sale of assets	(2.3)	0.7	0.3
<b>Changes in assets and liabilities, net of effects of business acquisitions</b>			
Accounts receivable	30.4	(142.0)	148.3
Inventories	(187.0)	(121.4)	(29.1)
Other current assets	(16.5)	(12.3)	(2.3)
Accounts payable	(56.9)	114.2	(81.9)
Employee compensation and benefits	(35.2)	24.5	42.5
Other current liabilities	46.5	116.2	32.0
Other non-current assets and liabilities	3.8	(12.3)	2.1
Net cash provided by operating activities of continuing operations	364.3	613.6	574.2
Net cash used for operating activities of discontinued operations	(1.0)	(0.4)	(0.6)
Net cash provided by operating activities	363.3	613.2	573.6
<b>Investing activities</b>			
Capital expenditures	(85.2)	(60.2)	(62.2)
Proceeds from sale of property and equipment	4.1	3.9	0.1
Proceeds from sale of businesses, net	—	1.4	—
Acquisitions, net of cash acquired	(1,580.9)	(338.5)	(58.0)
Settlement of net investment hedges	78.9	—	—
Other	0.3	2.7	2.2
Net cash used for investing activities	(1,582.8)	(390.7)	(117.9)
<b>Financing activities</b>			
Net borrowings (repayments) of revolving long-term debt	124.5	159.4	(117.5)
Proceeds from long-term debt	1,391.3	—	—
Repayment of long-term debt	(88.3)	(103.8)	(74.0)
Debt issuance costs	(15.8)	(2.3)	—
Shares issued to employees, net of shares withheld	(2.7)	22.2	32.9
Repurchases of ordinary shares	(50.0)	(150.0)	(150.2)
Dividends paid	(138.6)	(133.0)	(127.1)
Receipts (payments) upon the settlement of cross currency swaps	12.3	(14.7)	—
Net cash provided by (used for) financing activities	1,232.7	(222.2)	(435.9)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1.2</b>	<b>12.1</b>	<b>(20.2)</b>
<b>Change in cash and cash equivalents</b>	<b>14.4</b>	<b>12.4</b>	<b>(0.4)</b>
Cash and cash equivalents, beginning of year	94.5	82.1	82.5
<b>Cash and cash equivalents, end of year</b>	<b>\$ 108.9</b>	<b>\$ 94.5</b>	<b>\$ 82.1</b>
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for interest, net	\$ 57.0	\$ 29.9	\$ 41.0
Cash paid for income taxes, net	122.6	71.8	67.7

*See accompanying notes to consolidated financial statements.*

**Pentair plc and Subsidiaries**  
**Consolidated Statements of Changes in Equity**

<i>In millions</i>	Ordinary shares		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total
	Number	Amount				
<b>Balance - December 31, 2019</b>	168.3	\$ —	1.7	\$ 1,777.7	401.0	\$ 1,953.9
Net income	—	—	—	—	358.6	358.6
Other comprehensive income, net of tax	—	—	—	—	19.2	19.2
Dividends declared	—	—	—	—	(128.4)	(128.4)
Share repurchases	(3.7)	—	—	(150.2)	—	(150.2)
Exercise of options, net of shares tendered for payment	1.3	—	—	37.6	—	37.6
Issuance of restricted shares, net of cancellations	0.3	—	—	—	—	—
Shares surrendered by employees to pay taxes	(0.1)	—	—	(4.7)	—	(4.7)
Share-based compensation	—	—	—	20.3	—	20.3
<b>Balance - December 31, 2020</b>	166.1	\$ —	1.7	\$ 1,680.7	\$ 631.2	\$ 2,106.3
Net income	—	—	—	—	553.0	553.0
Other comprehensive loss, net of tax	—	—	—	—	(6.6)	(6.6)
Dividends declared	—	—	—	—	(132.8)	(132.8)
Share repurchases	(2.1)	—	—	(150.0)	—	(150.0)
Exercise of options, net of shares tendered for payment	0.9	—	—	30.1	—	30.1
Issuance of restricted shares, net of cancellations	0.3	—	—	—	—	—
Shares surrendered by employees to pay taxes	(0.1)	—	—	(7.9)	—	(7.9)
Share-based compensation	—	—	—	29.8	—	29.8
<b>Balance - December 31, 2021</b>	165.1	\$ —	1.7	\$ 1,582.7	\$ 1,051.4	\$ 2,421.9
Net income	—	—	—	—	480.9	480.9
Other comprehensive loss, net of tax	—	—	—	—	(25.1)	(25.1)
Dividends declared	—	—	—	—	(141.8)	(141.8)
Share repurchases	(1.0)	—	—	(50.0)	—	(50.0)
Exercise of options, net of shares tendered for payment	0.1	—	—	3.6	—	3.6
Issuance of restricted shares, net of cancellations	0.4	—	—	—	—	—
Shares surrendered by employees to pay taxes	(0.1)	—	—	(6.3)	—	(6.3)
Share-based compensation	—	—	—	24.9	—	24.9
<b>Balance - December 31, 2022</b>	164.5	\$ —	1.7	\$ 1,554.9	\$ 1,390.5	\$ 2,708.1

*See accompanying notes to consolidated financial statements.*

**1. Basis of Presentation and Summary of Significant Accounting Policies**

***Business***

Pentair plc and its consolidated subsidiaries (“we,” “us,” “our,” “Pentair” or the “Company”) is a water industrial manufacturing company comprised of two reporting segments: Consumer Solutions and Industrial & Flow Technologies.

***COVID-19***

In March 2020, the World Health Organization declared the novel coronavirus 2019 (“COVID-19”) a global pandemic. The COVID-19 pandemic has had and may continue to have an unfavorable impact on certain parts of our business. The broader implications of the COVID-19 pandemic on our business, financial condition and results of operations remain uncertain and will depend on certain developments, including the duration and severity of the COVID-19 pandemic, the impact of virus variants, the effectiveness of vaccinations, the COVID-19 pandemic’s impact on our customers and suppliers and the range of governmental and community reactions to the pandemic. We may continue to experience reduced customer demand in certain parts of our business or constrained labor and/or supply that could materially and adversely impact our business, financial condition, results of operations, liquidity and cash flows in future periods.

***Basis of presentation***

The accompanying consolidated financial statements include the accounts of Pentair plc, its wholly-owned subsidiaries and entities for which the Company has a controlling financial interest. Intercompany accounts and transactions have been eliminated. Investments in companies of which we own 20% to 50% of the voting stock or have the ability to exercise significant influence over operating and financial policies of the investee are accounted for using the equity method of accounting and as a result, our share of the earnings or losses of such equity affiliates is included in the Consolidated Statements of Operations and Comprehensive Income.

The consolidated financial statements have been prepared in U.S. dollars (“USD”) and in accordance with accounting principles generally accepted in the United States (“U.S.”) (“U.S. GAAP”).

***Fiscal year***

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

***Use of estimates***

The preparation of our consolidated financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the amounts reported in these consolidated financial statements and accompanying notes, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates include our accounting for valuation of goodwill and indefinite lived intangible assets, estimated losses on accounts receivable, estimated realizable value on excess and obsolete inventory, percentage of completion revenue recognition, assets acquired and liabilities assumed in acquisitions, estimated selling proceeds from assets held for sale, contingent liabilities, income taxes and pension and other post-retirement benefits. Actual results could differ from our estimates.

***Revenue recognition***

Revenue is recognized when control of the promised goods or services is 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 revenue.

***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 for purposes of revenue recognition. 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 91.7%, 91.9% and 92.2% of our revenue for the years ended December 31, 2022, 2021 and 2020, 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 8.3%, 8.1% and 7.8% of our revenue for the years ended December 31, 2022, 2021 and 2020, 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.

On December 31, 2022, we had \$109.7 million of remaining performance obligations on contracts with an 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 products 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 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 determine 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 change, the accrual for rebates is adjusted to reflect the new amount of rebates expected to be earned by the customer.

**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 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 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 Consolidated Balance Sheets.

Contract assets and liabilities consisted of the following:

<i>In millions</i>	December 31		<b>\$ Change</b>	<b>% Change</b>
	2022	2021		
Contract assets	\$ 48.4	\$ 48.8	\$ (0.4)	(0.8)%
Contract liabilities	58.1	39.4	18.7	47.5 %
<b>Net contract assets (liabilities)</b>	<b>\$ (9.7)</b>	<b>\$ 9.4</b>	<b>\$ (19.1)</b>	<b>(203.2)%</b>

The \$19.1 million decrease in net contract assets from December 31, 2021 to December 31, 2022 was primarily the result of timing of milestone payments. Approximately 90% of our contract liabilities at December 31, 2021 were recognized in revenue during the twelve months ended December 31, 2022. There were \$1.1 million of impairment losses recognized on our net contract liabilities for the twelve months ended December 31, 2022 as a result of our exit of business activity and sales in Russia. There were no impairment losses recognized on our net contract assets for the twelve months ended December 31, 2021.

**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 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 segment, geographic location and vertical market, as we believe these best depict how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. Refer to Note 14 for revenue disaggregated by segment.

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

<i>In millions</i>	Years ended December 31		
	2022	2021	2020
U.S.	\$ 2,913.2	\$ 2,571.2	\$ 2,011.7
Western Europe	439.2	460.4	375.3
Developing <sup>(1)</sup>	515.5	487.1	427.5
Other Developed <sup>(2)</sup>	253.9	246.1	203.3
Consolidated net sales <sup>(3)</sup>	\$ 4,121.8	\$ 3,764.8	\$ 3,017.8

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

<sup>(2)</sup> Other Developed includes Australia, Canada and Japan.

<sup>(3)</sup> Net sales in Ireland, for each of the years presented, were not material.

Vertical market net sales information was as follows:

<i>In millions</i>	Years ended December 31		
	2022	2021	2020
Residential	\$ 2,613.6	\$ 2,437.6	\$ 1,883.4
Commercial	809.1	665.9	528.6
Industrial	699.1	661.3	605.8
Consolidated net sales	\$ 4,121.8	\$ 3,764.8	\$ 3,017.8

#### **Research and development**

We conduct research and development (“R&D”) activities primarily in our own facilities, which mostly consist of development of new products, product applications and manufacturing processes. We expense R&D costs as incurred. R&D expenditures during 2022, 2021 and 2020 were \$92.2 million, \$85.9 million and \$75.7 million, respectively.

#### **Cash equivalents**

We consider highly liquid investments with original maturities of three months or less at the date of acquisition to be cash equivalents.

#### **Trade receivables and concentration of credit risk**

We record an allowance for credit losses, reducing our receivables balance to an amount we estimate is collectible from our customers. Estimates used in determining the allowance for credit losses are based on current trends, aging of accounts receivable, periodic credit evaluations of our customers’ financial condition, and historical collection experience as well as reasonable and supportable forecasts of future economic conditions. We generally do not require collateral.

The following table summarizes the activity in the allowance for credit losses:

<i>In millions</i>	Years ended December 31		
	2022	2021	2020
Beginning balance	\$ 9.1	\$ 8.4	\$ 10.3
Bad debt expense (benefit) <sup>(1)</sup>	3.6	1.1	(0.5)
Acquisitions	0.3	1.0	0.1
Write-offs, net of recoveries	(1.4)	(0.9)	(1.6)
Other <sup>(2)</sup>	(0.8)	(0.5)	0.1
Ending balance	\$ 10.8	\$ 9.1	\$ 8.4

<sup>(1)</sup> The bad debt benefit for the year-ended December 31, 2020 includes the positive impact related to the adoption of Accounting Standards Update No. 2016-13 “Financial Instruments-Credit Losses.”

<sup>(2)</sup> Other amounts are primarily the effects of changes in currency translations and the impact of allowance for credits.

#### **Inventories**

Inventories are stated at the lower of cost or net realizable value with substantially all inventories recorded using the first-in, first-out (“FIFO”) cost method.

**Property, plant and equipment, net**

Property, plant and equipment is stated at historical cost. We compute depreciation by the straight-line method based on the following estimated useful lives:

	<b>Years</b>
Land improvements	5 to 20
Buildings and leasehold improvements	5 to 50
Machinery and equipment	3 to 15
Capitalized software	3 to 10

Significant improvements that add to productive capacity or extend the lives of properties are capitalized. Costs for repairs and maintenance are charged to expense as incurred. When property is retired or otherwise disposed of, the recorded cost of the assets and their related accumulated depreciation are removed from the Consolidated Balance Sheets and any related gains or losses are included in income.

The following table presents geographic *Property, plant and equipment, net* by region as of December 31:

<i>In millions</i>	<b>2022</b>		<b>2021</b>	
U.S.	\$	213.3	\$	198.7
Western Europe		74.4		71.5
Developing <sup>(1)</sup>		46.8		29.5
Other Developed <sup>(2)</sup>		10.0		10.3
<b>Consolidated <sup>(3)</sup></b>	<b>\$</b>	<b>344.5</b>	<b>\$</b>	<b>310.0</b>

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

<sup>(2)</sup> Other Developed includes Australia, Canada and Japan.

<sup>(3)</sup> *Property, plant and equipment, net* in Ireland, for each of the years presented, were not material.

We review the recoverability of long-lived assets to be held and used, such as property, plant and equipment, when events or changes in circumstances occur that indicate the carrying value of the asset or asset group may not be recoverable. The assessment of possible impairment is based on our ability to recover the carrying value of the asset or asset group from the expected future pre-tax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset or asset group, an impairment loss is recognized for the difference between estimated fair value and carrying value. Impairment losses on long-lived assets held for sale are determined in a similar manner, except that fair values are reduced for the cost to dispose of the assets. The measurement of impairment requires us to estimate future cash flows and the fair value of long-lived assets. We recorded \$9.2 million of long-lived asset impairment charges in 2022 comprised of long-lived assets which were primarily written off as a result of restructuring actions and certain business exits announced in the fourth quarter of 2022. No material long-lived asset impairment charges were recorded in 2021 or 2020.

**Goodwill and identifiable intangible assets**

**Goodwill**

Goodwill represents the excess of the cost of acquired businesses over the net of the fair value of identifiable tangible net assets and identifiable intangible assets purchased and liabilities assumed.

We test our goodwill for impairment at least annually during the fourth quarter or more frequently if events or changes in circumstances indicate that the asset might be impaired. We perform our annual or interim goodwill impairment test by comparing the fair value of the relevant reporting unit with its carrying amount. We would recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized would not exceed the total amount of goodwill allocated to that reporting unit.

We have the option to perform a qualitative assessment to determine whether it is necessary to perform the quantitative goodwill impairment test. However, we may elect to perform the quantitative goodwill impairment test even if no indications of a potential impairment exist.

As a result of the qualitative assessment performed during 2022 and 2021, it was determined that it was more likely than not that the fair value of the reporting units exceeded their respective carrying values. Factors considered in the analysis included the 2020 discounted cash flow fair value assessment of the reporting units and the calculated excess fair value over carrying

amount, financial performance, forecasts and trends, market capitalization, regulatory and environmental issues, macro-economic conditions, industry and market considerations, raw material costs and management stability. We also consider the extent to which each of the adverse events and circumstances identified affect the comparison of the respective reporting unit's fair value with its carrying amount. We place more weight on the events and circumstances that most affect the respective reporting unit's fair value or the carrying amount of its net assets. We consider positive and mitigating events and circumstances that may affect its determination of whether it is more likely than not that the fair value exceeds the carrying amount. The non-recurring fair value measurement is a "Level 3" measurement under the fair value hierarchy described in Note 9.

**Identifiable intangible assets**

Our primary identifiable intangible assets include: customer relationships, trade names, proprietary technology and patents. Identifiable intangibles with finite lives are amortized and those identifiable intangibles with indefinite lives are not amortized. Identifiable intangible assets that are subject to amortization are evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Identifiable intangible assets not subject to amortization are tested for impairment annually or more frequently if events warrant. We complete our annual impairment test the first day of the fourth quarter each year for those identifiable assets not subject to amortization.

The impairment test for trade names consists of a comparison of the fair value of the trade name with its carrying value. Fair value 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. The non-recurring fair value measurement is a "Level 3" measurement under the fair value hierarchy described in Note 9.

An impairment charge of \$2.7 million was recorded in 2022 related to the write-off of a proprietary technology intangible asset as a result of a business exit announced in the fourth quarter of 2022. The impairment charge was recorded in *Selling, general and administrative* in our Consolidated Statements of Operations and Comprehensive Income. No additional impairment charges were recognized for identifiable intangible assets in 2022.

No impairment charges were recorded for identifiable intangible assets in 2021 or 2020.

**Income taxes**

We use the asset and liability approach to account for income taxes. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period when the change is enacted. We maintain valuation allowances unless it is more likely than not that all or a portion of the deferred tax assets will be realized. Changes in valuation allowances from period to period are included in our tax provision in the period of change. We recognize the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

**Pension and other post-retirement plans**

We sponsor U.S. and non-U.S. defined-benefit pension and other post-retirement plans. The pension and other post-retirement benefit costs for company-sponsored benefit plans are determined from actuarial assumptions and methodologies, including discount rates and expected returns on plan assets. These assumptions are updated annually and are disclosed in Note 11.

We recognize changes in the fair value of plan assets and net actuarial gains or losses for pension and other post-retirement benefits annually in the fourth quarter each year ("mark-to-market adjustment") and, if applicable, in any quarter in which an interim re-measurement is triggered. Net actuarial gains and losses occur when the actual experience differs from any of the various assumptions used to value our pension and other post-retirement plans or when assumptions change, as they may each year. The remaining components of pension expense, including service and interest costs and estimated return on plan assets, are recorded on a quarterly basis. The service costs are recorded within *Operating income* and the interest costs, expected return on plan assets and net actuarial gain/loss components of net periodic pension and other post-retirement benefit costs are recorded within *Other (income) expense*.

**Insurance subsidiary**

A portion of our property and casualty insurance program is insured through our regulated wholly-owned captive insurance subsidiary, Penwald Insurance Company (“Penwald”). Reserves for policy claims are established based on actuarial projections of ultimate losses. As of December 31, 2022 and 2021, reserves for policy claims were \$65.1 million, of which \$13.0 million was included in *Other current liabilities* and \$52.1 million was included in *Other non-current liabilities*, and \$55.6 million, of which \$13.0 million was included in *Other current liabilities* and \$42.6 million was included in *Other non-current liabilities*, respectively.

**Share-based compensation**

We account for share-based compensation awards on a fair value basis. The estimated grant date fair value of each option award is recognized in income on an accelerated basis over the requisite service period (generally the vesting period). The estimated fair value of each option award is calculated using the Black-Scholes option-pricing model. From time to time, we have elected to modify the terms of the original grant. These modified grants are accounted for as a new award and measured using the fair value method, resulting in the inclusion of additional compensation expense in our Consolidated Statements of Operations and Comprehensive Income.

Restricted share awards and units (“RSUs”) are recorded as compensation cost over the requisite service periods based on the market value on the date of grant.

Performance share units (“PSUs”) are stock awards where the ultimate number of shares issued will be contingent on the Company’s performance against certain performance goals. The Compensation Committee has the ability to adjust performance goals or modify the manner of measuring or evaluating a performance goal using its discretion. The fair value of each PSU is based on the market value on the date of grant. We recognize expense related to the estimated vesting of our PSUs granted. The estimated vesting of the PSUs is based on the probability of achieving certain performance metrics over the specified performance period.

**Earnings per ordinary share**

We present two calculations of earnings per ordinary share (“EPS”). Basic EPS equals net income divided by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is computed by dividing net income by the sum of weighted-average number of ordinary shares outstanding plus dilutive effects of ordinary share equivalents.

**Derivative financial instruments**

We recognize all derivatives, including those embedded in other contracts, as either assets or liabilities at fair value in our Consolidated Balance Sheets. If the derivative is designated and is effective as a cash-flow hedge, the effective portion of changes in the fair value of the derivative is recorded in *Accumulated other comprehensive income (loss)* (“AOCI”) as a separate component of equity in the Consolidated Balance Sheets and is recognized in the Consolidated Statements of Operations and Comprehensive Income when the hedged item affects earnings. If the underlying hedged transaction ceases to exist or if the hedge becomes ineffective, all changes in fair value of the related derivatives that have not been settled are recognized in current earnings. For a derivative that is not designated as or does not qualify as a hedge, changes in fair value are reported in earnings immediately.

Gains and losses on net investment hedges are included in AOCI as a separate component of equity in the Consolidated Balance Sheets.

We use derivative instruments for the purpose of hedging interest rate and currency exposures, which exist as part of ongoing business operations. We do not hold or issue derivative financial instruments for trading or speculative purposes. Our policy is not to enter into contracts with terms that cannot be designated as normal purchases or sales. From time to time, we may enter into short duration foreign currency contracts to hedge foreign currency risks.

**Foreign currency translation**

The financial statements of the Company’s non-U.S. dollar functional currency international subsidiaries are measured using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the rates of exchange at the balance sheet date. Income (loss) and expense items are translated at average monthly rates of exchange. The resultant translation adjustments are included in AOCI, a component of equity.

**2. Acquisitions**

On July 28, 2022, as part of our Consumer Solutions reporting segment, we acquired the issued and outstanding equity securities of certain subsidiaries of Welbilt, Inc. (“Welbilt”) and certain other assets, rights, and properties, and assumed certain liabilities, comprising Welbilt’s Manitowoc Ice business (“Manitowoc Ice”), for approximately \$1.6 billion in cash.

Manitowoc Ice is a designer, manufacturer and distributor of commercial ice machines. The acquisition of Manitowoc Ice allows us to enhance and deliver our total water management offerings to an expanded network of channel partners and customers.

The purchase price has been preliminarily allocated based on the estimated fair value of assets acquired and liabilities assumed at the date of the Manitowoc Ice acquisition. The preliminary purchase price allocation is subject to further refinement and may require significant adjustments to arrive at the final purchase price allocation. These changes will primarily relate to income tax-related items. We expect the final purchase price allocation to be completed by the third quarter of 2023. There can be no assurance that such finalization will not result in material changes from the preliminary purchase price allocation.

The following table summarizes our preliminary estimates of the fair values of the assets acquired and liabilities assumed in the Manitowoc Ice acquisition as previously reported and revised as of December 31, 2022:

<i>In millions</i>	<b>As Originally Reported</b>		<b>As Revised</b>	
Cash	\$	33.8	\$	33.8
Accounts receivable		39.7		36.7
Inventories		70.8		66.5
Other current assets		3.9		3.9
Property, plant and equipment		21.6		21.6
Identifiable intangible assets		728.3		728.3
Goodwill		796.7		790.5
Other assets		1.8		1.8
Current liabilities		(68.1)		(66.5)
Other liabilities		(3.2)		(3.3)
<b>Purchase price</b>	<b>\$</b>	<b>1,625.3</b>	<b>\$</b>	<b>1,613.3</b>

The excess of purchase price over tangible net assets and identified intangible assets acquired has been preliminarily allocated to goodwill in the amount of \$790.5 million, all of which is expected to be deductible for income tax purposes. Goodwill recognized from the Manitowoc Ice acquisition primarily reflects the future economic benefit resulting from synergies of our combined operations.

Identifiable intangible assets acquired as part of the Manitowoc Ice acquisition include \$78.4 million of indefinite-lived trade name intangible assets, \$588.4 million of definite-lived customer relationships with a weighted-average estimated useful life of 20 years, \$47.1 million of definite-lived proprietary technology intangible assets with a weighted-average estimated useful life of 10 years and \$14.4 million of other definite-lived intangible assets with a weighted-average estimated useful life of four months. The fair values of trade names and proprietary technology acquired in the acquisition were determined using a relief-from-royalty method, and customer relationships and other definite-lived intangible assets acquired were determined using a multi-period excess earnings method. These methods utilize unobservable inputs that are significant to these fair value measurements and thus classified as Level 3 of the fair value hierarchy described in Note 9.

For the year ended December 31, 2022, non-recurring expense related to the fair value adjustment to acquisition-date inventory of \$5.8 million, transaction-related charges of \$19.9 million, and acquisition-related bridge financing costs of \$9.0 million are reflected in *Cost of goods sold*, *Selling, general and administrative* and *Net interest expense*, respectively, in the Consolidated Statements of Operations and Comprehensive Income. Manitowoc Ice's net sales and operating income for the period from the acquisition date to December 31, 2022 were \$156.3 million and \$12.2 million, respectively. Manitowoc's operating income includes \$28.6 million of identifiable intangible asset amortization expense and \$5.8 million of amortization of inventory fair market value step-up.

The following table presents unaudited pro forma financial information as if the Manitowoc Ice acquisition had occurred on January 1, 2021:

<i>In millions, except per share data</i>	Years Ended December 31	
	2022	2021
Pro forma net sales	\$ 4,328.6	\$ 4,072.1
Pro forma net income from continuing operations	486.3	523.3
<b>Pro forma earnings per ordinary share - continuing operations</b>		
Basic	\$ 2.95	\$ 3.16
Diluted	2.94	3.12

The unaudited pro forma net income from continuing operations includes Manitowoc Ice's identifiable intangible asset amortization expense of \$34.1 million and \$48.5 million for the years ended December 31, 2022 and 2021, respectively. The unaudited pro forma net income from continuing operations for the year ended December 31, 2022 excludes the impact of \$34.7 million of transaction-related charges, acquisition-related bridge financing costs and non-recurring expense related to the fair value adjustment to acquisition-date inventory. The year ended December 31, 2021 was adjusted to include transaction-related charges and non-recurring expense related to the fair value adjustment to acquisition-date inventory.

The pro forma condensed consolidated financial information has been prepared for comparative purposes only and includes certain adjustments, as noted above. The adjustments are estimates based on currently available information and actual amounts may differ materially from these estimates. They do not reflect the effect of costs or synergies that would have been expected to result from the integration of the Manitowoc Ice acquisition. The pro forma information does not purport to be indicative of the results of operations that actually would have resulted had the Manitowoc Ice acquisition occurred on January 1, 2021.

In October 2021, as part of both of our Consumer Solutions and Industrial & Flow Technologies reporting segments, we completed the acquisition of Pleatco Holdings, LLC and related entities for \$256.9 million in cash, net of cash acquired and working capital true-ups. The excess of purchase price over tangible net assets acquired has been allocated to goodwill in the amount of \$140.6 million, \$136.4 million of which is expected to be deductible for income tax purposes. Identifiable intangible assets acquired consisted of \$97.9 million of definite-lived customer relationships with an estimated useful life of 17 years. The pro forma impact of this acquisition is not material.

In May 2021, as part of our Consumer Solutions reporting segment, we completed the acquisition of Ken's Beverage, Inc. for \$82.2 million in cash, net of cash acquired and working capital true-ups. The excess of purchase price over tangible net assets acquired has been allocated to goodwill in the amount of \$28.3 million, all of which is expected to be deductible for income tax purposes. Identifiable intangible assets acquired consisted of \$38.0 million of definite-lived customer relationships with an estimated useful life of 22 years. The pro forma impact of this acquisition is not material.

In 2020, our Consumer Solutions reporting segment completed acquisitions with purchase prices totaling \$58.0 million in cash, net of cash acquired.

### 3. Earnings Per Share

Basic and diluted earnings per share were calculated as follows:

<i>In millions, except per share data</i>	Years ended December 31		
	2022	2021	2020
<b>Net income</b>	\$ 480.9	\$ 553.0	\$ 358.6
<b>Net income from continuing operations</b>	\$ 483.2	\$ 556.0	\$ 357.1
<b>Weighted average ordinary shares outstanding</b>			
Basic	164.8	165.8	166.5
Dilutive impact of stock options and restricted stock awards	0.8	1.7	0.9
Diluted	165.6	167.5	167.4
<b>Earnings (loss) per ordinary share</b>			
<b>Basic</b>			
Continuing operations	\$ 2.93	\$ 3.36	\$ 2.14
Discontinued operations	(0.01)	(0.02)	0.01
Basic earnings per ordinary share	\$ 2.92	\$ 3.34	\$ 2.15
<b>Diluted</b>			
Continuing operations	\$ 2.92	\$ 3.32	\$ 2.13
Discontinued operations	(0.02)	(0.02)	0.01
Diluted earnings per ordinary share	\$ 2.90	\$ 3.30	\$ 2.14
<b>Anti-dilutive stock options excluded from the calculation of diluted earnings per share</b>	0.9	0.1	1.7

### 4. Restructuring and Transformation Program

In 2021, we launched and committed resources to a program designed to accelerate growth and drive margin expansion through transformation of our business model to drive operational excellence, reduce complexity and streamline our processes (the "Transformation Program"). The Transformation Program is structured in multiple phases and is expected to empower us to work more efficiently and optimize our business to better serve our customers while meeting our financial objectives.

During 2022, we initiated and continued execution of certain business restructuring initiatives aimed at reducing our fixed cost structure and realigning our business, including the announcement of certain business exits within the residential business of our Consumer Solutions segment. In addition, we executed certain initiatives in 2022 and 2021 associated with the Transformation Program. Initiatives during the years ended December 31, 2022, 2021 and 2020 included a reduction in hourly and salaried headcount of approximately 625 employees, 75 employees and 175 employees, respectively.

Restructuring and transformation-related costs included in *Cost of goods sold* and *Selling, general and administrative* expenses in the Consolidated Statements of Operations and Comprehensive Income included the following:

<i>In millions</i>	Years ended December 31		
	2022	2021	2020
<b>Restructuring Initiatives</b>			
Severance and related costs	\$ 17.7	\$ 7.0	\$ 9.7
Asset impairment and write-offs <sup>(1)</sup>	25.6	—	2.7
Other restructuring costs <sup>(2)</sup>	13.0	0.4	1.7
<b>Total restructuring costs</b>	<b>56.3</b>	<b>7.4</b>	<b>14.1</b>
<b>Transformation Program</b>			
Severance and related costs	3.4	—	—
Other transformation costs <sup>(3)</sup>	23.8	11.7	—
<b>Total transformation costs</b>	<b>27.2</b>	<b>11.7</b>	<b>—</b>
<b>Total restructuring and transformation costs</b>	<b>\$ 83.5</b>	<b>\$ 19.1</b>	<b>\$ 14.1</b>

<sup>(1)</sup> Asset impairment and write-offs consist of inventory, long-lived assets and an identifiable intangible asset, which were impaired as a result of restructuring actions and certain business exits announced in the fourth quarter of 2022.

<sup>(2)</sup> Other restructuring costs primarily consist of certain accruals and various contract termination costs associated with business exits.

<sup>(3)</sup> Other transformation costs primarily consist of professional services and project management related costs.

Restructuring and transformation costs by reportable segment were as follows:

<i>In millions</i>	Years ended December 31		
	2022	2021	2020
Consumer Solutions	\$ 55.4	\$ 0.9	\$ 3.6
Industrial & Flow Technologies	2.2	0.9	4.7
Other	25.9	17.3	5.8
<b>Consolidated</b>	<b>\$ 83.5</b>	<b>\$ 19.1</b>	<b>\$ 14.1</b>

Activity related to accrued severance and related costs recorded in *Other current liabilities* in the Consolidated Balance Sheets is summarized as follows:

<i>In millions</i>	Years ended December 31		
	2022	2021	2020
Beginning balance	\$ —	\$ 10.7	\$ 15.2
Costs incurred		21.1	7.0
Cash payments and other		(8.6)	(11.5)
<b>Ending balance</b>	<b>\$ —</b>	<b>\$ 23.2</b>	<b>\$ 10.7</b>

#### 5. Goodwill and Other Identifiable Intangible Assets

The changes in the carrying amount of goodwill for the years ended December 31, 2022 and 2021 by reportable segment were as follows:

<i>In millions</i>	December 31, 2021	Acquisitions	Purchase accounting adjustments	Foreign currency translation	December 31, 2022
Consumer Solutions	\$ 1,722.5	\$ 790.5	\$ 1.4	\$ (9.4)	\$ 2,505.0
Industrial & Flow Technologies	782.0	—	1.0	(35.4)	747.6
<b>Total goodwill</b>	<b>\$ 2,504.5</b>	<b>\$ 790.5</b>	<b>\$ 2.4</b>	<b>\$ (44.8)</b>	<b>\$ 3,252.6</b>

<i>In millions</i>	December 31, 2020		Acquisitions	Purchase accounting adjustments	Foreign currency translation	December 31, 2021
Consumer Solutions	\$	1,580.5	\$ 152.9	\$ (1.2)	\$ (9.7)	1,722.5
Industrial & Flow Technologies		811.7	13.6	—	(43.3)	782.0
<b>Total goodwill</b>	<b>\$</b>	<b>2,392.2</b>	<b>\$ 166.5</b>	<b>\$ (1.2)</b>	<b>\$ (53.0)</b>	<b>2,504.5</b>

There has been no impairment of goodwill for any of the years presented.

Identifiable intangible assets consisted of the following at December 31:

<i>In millions</i>	2022			2021		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
<b>Definite-life intangibles</b>						
Customer relationships	\$ 1,100.9	\$ (308.9)	\$ 792.0	\$ 558.8	\$ (320.1)	\$ 238.7
Proprietary technology and patents	89.3	(35.6)	53.7	46.3	(32.1)	14.2
Other	14.4	(14.4)	—	—	—	—
<b>Total finite-life intangibles</b>	<b>1,204.6</b>	<b>(358.9)</b>	<b>845.7</b>	<b>605.1</b>	<b>(352.2)</b>	<b>252.9</b>
<b>Indefinite-life intangibles</b>						
Trade names	248.9	—	248.9	175.1	—	175.1
<b>Total intangibles</b>	<b>\$ 1,453.5</b>	<b>\$ (358.9)</b>	<b>\$ 1,094.6</b>	<b>\$ 780.2</b>	<b>\$ (352.2)</b>	<b>428.0</b>

Identifiable intangible asset amortization expense in 2022, 2021 and 2020 was \$52.5 million, \$26.3 million and \$28.4 million, respectively.

An impairment charge of \$2.7 million was recorded in 2022 related to the write-off of a proprietary technology intangible asset as a result of a business exit announced in the fourth quarter of 2022. No impairment charges were recorded for identifiable intangible assets in 2021 or 2020.

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

<i>In millions</i>	2023	2024	2025	2026	2027
Estimated amortization expense	\$ 54.6	\$ 54.1	\$ 54.1	\$ 52.8	\$ 51.5

6. Supplemental Balance Sheet Information

<i>In millions</i>	December 31	
	2022	2021
<b>Inventories</b>		
Raw materials and supplies	\$ 404.1	\$ 290.3
Work-in-process	95.6	77.4
Finished goods	290.3	195.2
<b>Total inventories</b>	<b>\$ 790.0</b>	<b>\$ 562.9</b>
<b>Other current assets</b>		
Cost in excess of billings	\$ 48.4	\$ 48.8
Prepaid expenses	74.8	57.1
Other current assets	4.9	6.4
<b>Total other current assets</b>	<b>\$ 128.1</b>	<b>\$ 112.3</b>
<b>Property, plant and equipment, net</b>		
Land and land improvements	\$ 32.3	\$ 34.8
Buildings and leasehold improvements	200.7	194.5
Machinery and equipment	639.2	607.3
Capitalized software	68.8	66.5
Construction in progress	60.6	62.8
<b>Total property, plant and equipment</b>	<b>1,001.6</b>	<b>965.9</b>
Accumulated depreciation and amortization	657.1	655.9
<b>Total property, plant and equipment, net</b>	<b>\$ 344.5</b>	<b>\$ 310.0</b>
<b>Other non-current assets</b>		
Right-of-use lease assets	\$ 78.6	\$ 84.5
Deferred income taxes	26.0	23.1
Deferred compensation plan assets	21.7	25.6
Other non-current assets	71.0	73.9
<b>Total other non-current assets</b>	<b>\$ 197.3</b>	<b>\$ 207.1</b>
<b>Other current liabilities</b>		
Dividends payable	\$ 36.2	\$ 33.0
Accrued warranty	63.1	40.5
Accrued rebates and incentives	200.1	198.7
Accrued freight	39.4	36.5
Billings in excess of cost	43.8	31.2
Current lease liability	29.3	25.6
Income taxes payable	21.8	32.0
Accrued restructuring	23.2	10.7
Interest payable	32.9	10.1
Other current liabilities	112.3	107.6
<b>Total other current liabilities</b>	<b>\$ 602.1</b>	<b>\$ 525.9</b>
<b>Other non-current liabilities</b>		
Long-term lease liability	\$ 52.4	\$ 62.6
Income taxes payable	35.1	34.1
Self-insurance liabilities	52.1	42.6
Deferred compensation plan liabilities	21.7	25.6
Foreign currency contract liabilities	52.2	9.5
Other non-current liabilities	31.4	28.5
<b>Total other non-current liabilities</b>	<b>\$ 244.9</b>	<b>\$ 202.9</b>

## 7. Accumulated Other Comprehensive Loss

Components of Accumulated Other Comprehensive Loss consist of the following:

In millions	December 31	
	2022	2021
Cumulative translation adjustments	\$ (280.5)	\$ (224.1)
Market value of derivative financial instruments, net of tax	41.5	10.2
Accumulated other comprehensive loss	\$ (239.0)	\$ (213.9)

## 8. Debt

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

In millions	Average interest rate at December 31, 2022	Maturity year	December 31	
			2022	2021
Revolving credit facility (Senior Credit Facility)	6.053%	2026	\$ 320.0	\$ 195.0
Term Loan Facility	5.463%	2023 - 2027	1,000.0	—
Term loans (Senior Credit Facility)	5.861%	2024	200.0	200.0
Senior notes - fixed rate <sup>(1)</sup>	3.150%	2022	—	88.3
Senior notes - fixed rate <sup>(1)</sup>	4.650%	2025	19.3	19.3
Senior notes - fixed rate <sup>(1)</sup>	4.500%	2029	400.0	400.0
Senior notes - fixed rate <sup>(1)</sup>	5.900%	2032	400.0	—
Unamortized issuance costs and discounts	N/A	N/A	(22.0)	(8.5)
Total debt			\$ 2,317.3	\$ 894.1

<sup>(1)</sup> Senior notes are guaranteed as to payment by Pentair plc.

Pentair, Pentair Finance S.à r.l (“PFSA”) and Pentair, Inc. are parties to a credit agreement (the “Senior Credit Facility”), with Pentair as guarantor and PFSA and Pentair, Inc. as borrowers, which was amended and restated in December 2021 and further amended in December 2022, providing for a \$900.0 million senior unsecured revolving credit facility and a \$200.0 million senior unsecured term loan facility. The revolving credit facility has a maturity date of December 16, 2026 and the term loan facility has a maturity date of December 16, 2024. Borrowings under the Senior Credit Facility bear interest at a rate equal to an alternate base rate, adjusted term secured overnight financing rate, adjusted euro interbank offered rate, adjusted daily simple secured overnight financing rate or central bank rate, plus, in each case, an applicable margin. The applicable margin is based on, at PFSA’s election, Pentair’s leverage level or PFSA’s public credit rating.

As of December 31, 2022, total availability under the Senior Credit Facility was \$580.0 million. In addition, PFSA has the option to request to increase the revolving credit facility and/or to enter into one or more additional tranches of term loans in an aggregate amount of up to \$300.0 million, subject to customary conditions, including the commitment of the participating lenders.

In March 2022, in contemplation of the acquisition of Manitowoc Ice, Pentair and PFSA entered into a Loan Agreement among PFSA, as borrower, Pentair, as guarantor, and the lenders and agents party thereto, providing for a \$600.0 million senior unsecured term loan facility (the “Term Loan Facility”). In June 2022, the Term Loan Facility was amended to increase the facility by \$400.0 million to an aggregate principal amount of \$1.0 billion. The Term Loan Facility has a maturity date of July 28, 2027, with required quarterly installment payments of \$6.3 million beginning on the last day of the third quarter of 2023 and increasing to \$12.5 million beginning with the last day of the third quarter of 2024. The Term Loan Facility bears interest at a rate equal to an alternate base rate, adjusted term secured overnight financing rate, or adjusted daily simple secured overnight financing rate, plus, in each case, an applicable margin. The applicable margin is based on, at PFSA’s election, Pentair’s leverage level or PFSA’s public credit rating.

In July 2022, in contemplation of the acquisition of Manitowoc Ice, Pentair, as guarantor, and PFSA, as issuer, completed a public offering of \$400.0 million aggregate principal amount of 5.900% Senior Notes due 2032 (“2032 Senior Notes”).

We used the net proceeds from the Term Loan Facility and the issuance of the 2032 Senior Notes to finance a portion of the Manitowoc Ice acquisition purchase price and to pay related fees and expenses.

Our debt agreements contain various financial covenants, but the most restrictive covenants are contained in the Senior Credit Facility and the Term Loan Facility. The Senior Credit Facility and the Term Loan Facility contain covenants requiring us not to permit (i) the ratio of our consolidated debt (net of our consolidated unrestricted cash and cash equivalents in excess of \$5.0 million but not to exceed \$250.0 million) to our consolidated net income (excluding, among other things, non-cash gains and losses) before interest, taxes, depreciation, amortization and non-cash share-based compensation expense (“EBITDA”) on the last day of any period of four consecutive fiscal quarters (each, a “testing period”) to exceed 3.75 to 1.00 (or, at PFSA’s election and subject to certain conditions, 4.25 to 1.00 for four testing periods in connection with certain material acquisitions) (the “Leverage Ratio”) and (ii) the ratio of our EBITDA to our consolidated interest expense, 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 Senior Credit Facility and the Term Loan Facility provide for the calculation of EBITDA giving pro forma effect to certain acquisitions, divestitures and liquidations during the period to which such calculation relates.

In addition to the Senior Credit Facility and the Term Loan Facility, we have various other credit facilities with an aggregate availability of \$21.0 million, of which there were no outstanding borrowings at December 31, 2022. Borrowings under these credit facilities bear interest at variable rates.

We have \$12.5 million of Term Loan Facility payments due in the next twelve months. We classified this debt as long-term as of December 31, 2022 as we have the intent and ability to refinance such obligation on a long-term basis under the revolving credit facility under the Senior Credit Facility.

Debt outstanding, excluding unamortized issuance costs and discounts, at December 31, 2022 matures on a calendar year basis as follows:

<i>In millions</i>	2023	2024	2025	2026	2027	Thereafter	Total
Contractual debt obligation maturities	\$ 12.5	\$ 237.5	\$ 69.3	\$ 370.0	\$ 850.0	\$ 800.0	2,339.3

## **9. 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.

#### *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 December 31, 2022 and 2021, we had outstanding foreign currency derivative contracts with gross notional U.S. dollar equivalent amounts of \$9.4 million and \$14.7 million, respectively. The impact of these contracts on the Consolidated Statements of Operations and Comprehensive Income was not material for any period presented.

#### *Cross currency swaps*

At December 31, 2022 and 2021, we had outstanding cross currency swap agreements with a combined notional amount of \$746.3 million and \$794.4 million, respectively. The agreements are accounted for as either cash flow hedges, to hedge foreign currency fluctuations on certain intercompany debt, or as net investment hedges to manage our exposure to fluctuations in the Euro-U.S. Dollar exchange rate. As of December 31, 2022 and 2021, we had a deferred foreign currency loss of \$40.3 million and a deferred foreign currency gain of \$7.3 million, respectively, recorded in *Accumulated other comprehensive loss* associated with our cross currency swap activity. The periodic interest settlements related to our cross currency swap agreements are classified as operating activities. The cash flows that relate to principal balances are classified as financing activities for the cash flow hedges on intercompany debt and investing activities for the net investment hedges.

In October 2022, we entered into transactions to early terminate and cash settle €700 million of our cross currency swap agreements due to favorable market conditions. The termination of the cross currency swap agreements resulted in net cash receipts of \$84.3 million, of which \$2.1 million, \$70.1 million and \$12.1 million are included within operating activities, investing activities and financing activities, respectively, on the Consolidated Statements of Cash Flows. Subsequent to the termination, we entered into new cross currency swap agreements with euro notional amounts matching the original swap agreements.

In June 2022, we terminated two of our cross currency swap agreements, resulting in total net cash received of \$9.0 million, of which \$8.8 million is included within investing activities and \$0.2 million is included within financing activities on the Consolidated Statements of Cash Flows. We entered into new cross currency swaps with a combined notional amount of \$320.0 million to replace the terminated cross currency swap agreements.

In January 2021, one of our cross currency swap agreements, which was accounted for as a cash flow hedge, matured, resulting in a net cash payment of \$14.7 million. The net cash payment is included within financing activities on the Consolidated Statements of Cash Flows.

**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 instrument:

- *short-term financial instruments (cash and cash equivalents, accounts and notes receivable, accounts 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 above;
- *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 above; 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 above; fair value of common/collective trusts are valued at net asset value (“NAV”), which is based on the fair value of the underlying securities owned by the fund and divided by the number of shares outstanding.

The recorded amounts and estimated fair values of total debt, excluding unamortized issuance costs and discounts, at December 31 were as follows:

<i>In millions</i>	2022		2021	
	Recorded Amount	Fair Value	Recorded Amount	Fair Value
Variable rate debt	\$ 1,520.0	\$ 1,520.0	\$ 395.0	\$ 395.0
Fixed rate debt	819.3	789.3	507.6	564.3
<b>Total debt</b>	<b>\$ 2,339.3</b>	<b>\$ 2,309.3</b>	<b>\$ 902.6</b>	<b>\$ 959.3</b>

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

<i>In millions</i>	December 31, 2022				
	Level 1	Level 2	Level 3	NAV	Total
Foreign currency contract liabilities	\$ —	\$ (52.2)	\$ —	\$ —	\$ (52.2)
Deferred compensation plan assets	10.5	—	—	11.2	21.7
<b>Total recurring fair value measurements</b>	<b>\$ 10.5</b>	<b>\$ (52.2)</b>	<b>\$ —</b>	<b>\$ 11.2</b>	<b>\$ (30.5)</b>

<i>In millions</i>	December 31, 2021				
	Level 1	Level 2	Level 3	NAV	Total
Foreign currency contract assets	\$ —	\$ 7.2	\$ —	\$ —	\$ 7.2
Foreign currency contract liabilities	—	(9.5)	—	—	(9.5)
Deferred compensation plan assets	13.6	—	—	12.0	25.6
<b>Total recurring fair value measurements</b>	<b>\$ 13.6</b>	<b>\$ (2.3)</b>	<b>\$ —</b>	<b>\$ 12.0</b>	<b>\$ 23.3</b>

## 10. Income Taxes

Income from continuing operations before income taxes consisted of the following:

<i>In millions</i>	Years ended December 31		
	2022	2021	2020
Federal <sup>(1)</sup>	\$ (10.1)	\$ (11.2)	\$ 7.2
International <sup>(2)</sup>	560.7	638.0	424.9
<b>Income from continuing operations before income taxes</b>	<b>\$ 550.6</b>	<b>\$ 626.8</b>	<b>\$ 432.1</b>

<sup>(1)</sup> "Federal" reflects United Kingdom ("U.K.") income (loss) from continuing operations before income taxes.

<sup>(2)</sup> "International" reflects non-U.K. income from continuing operations before income taxes.

The provision for income taxes consisted of the following:

<i>In millions</i>	Years ended December 31		
	2022	2021	2020
<b>Currently payable (receivable)</b>			
Federal <sup>(1)</sup>	\$ —	\$ —	\$ 0.1
International <sup>(2)</sup>	112.2	79.8	70.3
Total current taxes	112.2	79.8	70.4
<b>Deferred</b>			
International <sup>(2)</sup>	(44.8)	(9.0)	4.6
Total deferred taxes	(44.8)	(9.0)	4.6
<b>Total provision for income taxes</b>	<b>\$ 67.4</b>	<b>\$ 70.8</b>	<b>\$ 75.0</b>

<sup>(1)</sup> "Federal" represents U.K. taxes.

<sup>(2)</sup> "International" represents non-U.K. taxes.

Reconciliations of the federal statutory income tax rate to our effective tax rate were as follows:

<i>Percentages</i>	<b>Years ended December 31</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
U.K. federal statutory income tax rate	19.0 %	19.0 %	19.0 %
Tax effect of international operations <sup>(1)</sup>	(7.6)	(5.1)	(3.9)
Change in valuation allowances	1.0	(0.2)	1.3
Excess tax benefits on stock-based compensation	(0.2)	(1.1)	(0.7)
Base erosion and anti-abuse tax	—	—	1.7
Unrecognized tax benefits	—	(1.3)	—
<b>Effective tax rate</b>	<b>12.2 %</b>	<b>11.3 %</b>	<b>17.4 %</b>

<sup>(1)</sup> The tax effect of international operations consists of non-U.K. jurisdictions.

Reconciliations of the beginning and ending gross unrecognized tax benefits were as follows:

<i>In millions</i>	<b>Years ended December 31</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Beginning balance	\$ 37.3	\$ 46.3	\$ 47.4
Gross increases for tax positions in prior periods	3.6	2.5	0.6
Gross decreases for tax positions in prior periods	(0.9)	(0.7)	—
Gross increases based on tax positions related to the current year	0.2	0.2	0.2
Gross decreases related to settlements with taxing authorities	(0.6)	(0.9)	(1.1)
Reductions due to statute expiration	—	(10.1)	(0.8)
<b>Ending balance</b>	<b>\$ 39.6</b>	<b>\$ 37.3</b>	<b>\$ 46.3</b>

We record gross unrecognized tax benefits in *Other current liabilities* and *Other non-current liabilities* in the Consolidated Balance Sheets. Included in the \$39.6 million of total gross unrecognized tax benefits as of December 31, 2022 was \$38.1 million of tax benefits that, if recognized, would impact the effective tax rate. It is reasonably possible that the gross unrecognized tax benefits as of December 31, 2022 may decrease by a range of zero to \$4.5 million during 2023, primarily as a result of the resolution of Germany and U.S. state examinations.

Based on the outcome of these examinations, or as a result of the expiration of statutes of limitations for specific jurisdictions, it is reasonably possible that certain unrecognized tax benefits for tax positions taken on previously filed tax returns will materially change from those recorded as liabilities in our financial statements. A number of tax periods from 2009 to present are under audit by tax authorities in various jurisdictions, including Germany, India and various U.S. states. We anticipate that several of these audits may be concluded in the foreseeable future.

We record penalties and interest related to unrecognized tax benefits in *Provision for income taxes* and *Net interest expense*, respectively, in the Consolidated Statements of Operations and Comprehensive Income. At December 31, 2022 and 2021, we have liabilities of \$0.6 million and \$0.2 million, respectively, for the possible payment of penalties and \$4.9 million and \$3.9 million, respectively, for the possible payment of interest expense, which are recorded in *Other current liabilities* in the Consolidated Balance Sheets.

Deferred taxes arise because of different treatment between financial statement accounting and tax accounting, known as “temporary differences.” We record the tax effect of these temporary differences as “deferred tax assets” (generally items that can be used as a tax deduction or credit in future periods) and “deferred tax liabilities” (generally items for which we received a tax deduction but the tax impact has not yet been recorded in the Consolidated Statements of Operations and Comprehensive Income).

Deferred taxes were recorded in the Consolidated Balance Sheets as follows:

<i>In millions</i>	<b>December 31</b>	
	2022	2021
Other non-current assets	\$ 26.0	\$ 23.1
Deferred tax liabilities	43.3	89.8
<b>Net deferred tax liabilities</b>	<b>\$ 17.3</b>	<b>\$ 66.7</b>

The tax effects of the major items recorded as deferred tax assets and liabilities were as follows:

<i>In millions</i>	<b>December 31</b>	
	2022	2021
<b>Deferred tax assets</b>		
Accrued liabilities and reserves	\$ 68.1	\$ 57.8
Pension and other post-retirement compensation and benefits	19.4	24.6
Employee compensation and benefits	26.5	18.2
Research and development costs	18.1	—
Tax loss and credit carryforwards	752.4	729.7
Interest limitations	104.9	67.5
Total deferred tax assets	989.4	897.8
Valuation allowance	756.9	727.2
Deferred tax assets, net of valuation allowance	232.5	170.6
<b>Deferred tax liabilities</b>		
Property, plant and equipment	18.1	10.2
Goodwill and other intangibles	213.0	210.4
Other liabilities	18.7	16.7
Total deferred tax liabilities	249.8	237.3
<b>Net deferred tax liabilities</b>	<b>\$ 17.3</b>	<b>\$ 66.7</b>

Included in tax loss and credit carryforwards in the table above is a deferred tax asset of \$29.6 million as of December 31, 2022 related to foreign tax credit carryover from the tax period ended December 31, 2017 and related to transition taxes. The entire amount is subject to a valuation allowance. The foreign tax credit is eligible for carryforward until the tax period ending December 31, 2027.

As of December 31, 2022, tax loss carryforwards of \$2,967.6 million were available to offset future income. A valuation allowance of \$711.2 million exists for deferred income tax benefits related to the tax loss carryforwards which may not be realized. We believe sufficient taxable income will be generated in the respective jurisdictions to allow us to fully recover the remainder of the tax losses. The tax losses primarily relate to non-U.S. carryforwards of \$2,894.2 million of which \$1,838.5 million are located in jurisdictions with unlimited tax loss carryforward periods, while the remainder will begin to expire in 2023. In addition, there were \$7.9 million of U.S. federal loss carryforwards with unlimited tax loss carryforward periods and \$65.5 million of U.S. state tax loss carryforwards as of December 31, 2022. U.S. state tax losses of \$7.6 million are in jurisdictions with unlimited tax loss carryforward periods, while the remainder will expire in future years through 2042.

Deferred taxes in the amount of \$2.0 million have been provided on undistributed earnings of certain subsidiaries. Taxes have not been provided on undistributed earnings of subsidiaries where it is our intention to reinvest these earnings permanently or to repatriate the earnings only when it is tax effective to do so. It is not practicable to estimate the amount of tax that might be payable if such earnings were to be remitted.

*Impacts of U.S. tax legislation*

In April 2020, the IRS released final regulations as part of the Tax Cuts and Jobs Act of 2017 that place limitations on the deductibility of certain interest expense for U.S. tax purposes. These regulations resulted in discrete tax expense of approximately \$14.1 million in 2020, as well as an increase to our 2020 annual effective tax rate of approximately 0.3%.

In March 2020, the U.S. enacted the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") in response to the COVID-19 pandemic. The CARES Act contains numerous income tax provisions, such as relaxing limitations on the

deductibility of interest and the ability to carryback net operating losses arising in taxable years from 2018 through 2020. The CARES Act provided positive cash benefits of approximately \$26.9 million, offset by an increase to our 2020 annual effective tax rate of approximately 1.0% and \$5.1 million in discrete tax items recorded in 2020, mainly attributable to base erosion and anti-abuse tax related to 2019.

## 11. Benefit Plans

### Pension and other post-retirement plans

We sponsor U.S. and non-U.S. defined-benefit pension and other post-retirement plans. Pension benefits are based principally on an employee's years of service and/or compensation levels near retirement. In addition, we provide certain post-retirement health care and life insurance benefits. Generally, the post-retirement health care and life insurance plans require contributions from retirees.

### Obligations and funded status

The following tables present reconciliations of plan benefit obligations, fair value of plan assets and the funded status of pension plans and other post-retirement plans as of and for the years ended December 31, 2022 and 2021:

In millions	Pension plans		Other post-retirement plans	
	2022	2021	2022	2021
<b>Change in benefit obligations</b>				
Benefit obligation beginning of year	\$ 116.1	\$ 120.8	\$ 11.3	\$ 13.8
Service cost	2.4	2.8	—	—
Interest cost	2.5	2.0	0.3	0.2
Actuarial gain	(22.6)	(2.1)	(1.3)	(1.4)
Foreign currency translation	(0.2)	(0.6)	—	—
Benefits paid	(7.7)	(6.8)	(1.3)	(1.3)
Benefit obligation end of year	\$ 90.5	\$ 116.1	\$ 9.0	\$ 11.3
<b>Change in plan assets</b>				
Fair value of plan assets beginning of year	\$ 34.4	\$ 33.7	\$ —	\$ —
Actual return on plan assets	(5.8)	(0.3)	—	—
Company contributions	7.5	8.1	1.3	1.3
Foreign currency translation	—	(0.3)	—	—
Benefits paid	(7.7)	(6.8)	(1.3)	(1.3)
Fair value of plan assets end of year	\$ 28.4	\$ 34.4	\$ —	\$ —
<b>Funded status</b>				
Benefit obligations in excess of the fair value of plan assets	\$ (62.1)	\$ (81.7)	\$ (9.0)	\$ (11.3)

The actuarial gain in 2022 was primarily due to increases in the discount rates to reflect economic conditions at December 31, 2022.

Amounts recorded in the Consolidated Balance Sheets were as follows:

In millions	Pension plans		Other post-retirement plans	
	2022	2021	2022	2021
Current liabilities	\$ (5.9)	\$ (5.7)	\$ (1.3)	\$ (1.3)
Non-current liabilities	(56.2)	(76.0)	(7.7)	(10.0)
Benefit obligations in excess of the fair value of plan assets	\$ (62.1)	\$ (81.7)	\$ (9.0)	\$ (11.3)

The accumulated benefit obligation for all defined benefit plans was \$88.7 million and \$112.7 million at December 31, 2022 and 2021, respectively.

Information for pension plans with an accumulated benefit obligation or projected benefit obligation in excess of plan assets as of December 31 was as follows:

<i>In millions</i>	Projected benefit obligation exceeds the fair value of plan assets		Accumulated benefit obligation exceeds the fair value of plan assets	
	2022	2021	2022	2021
Projected benefit obligation	\$ 88.1	\$ 116.1	\$ 78.0	\$ 116.1
Fair value of plan assets	25.9	34.4	16.5	34.4
Accumulated benefit obligation	N/A	N/A	77.7	112.7

Components of net periodic benefit expense for our pension plans for the years ended December 31 were as follows:

<i>In millions</i>	2022	2021	2020
Service cost	\$ 2.4	\$ 2.8	\$ 3.3
Interest cost	2.5	2.0	2.9
Expected return on plan assets	(0.7)	(0.5)	(0.8)
Net actuarial (gain) loss	(16.4)	(1.5)	6.8
Net periodic benefit (income) expense	\$ (12.2)	\$ 2.8	\$ 12.2

Components of net periodic benefit expense for our other post-retirement plans for the years ended December 31, 2022, 2021 and 2020, were not material.

**Assumptions**

The following table provides the weighted-average assumptions used to determine benefit obligations and net periodic benefit cost as they pertain to our pension and other post-retirement plans.

<i>Percentages</i>	Pension plans			Other post-retirement plans		
	2022	2021	2020	2022	2021	2020
<b>Benefit obligation assumptions</b>						
Discount rate	4.77 %	2.21 %	1.74 %	5.11 %	2.34 %	1.77 %
Rate of compensation increase	3.80 %	3.61 %	3.62 %	N/A	N/A	N/A
<b>Net periodic benefit expense assumptions</b>						
Discount rate	2.21 %	1.74 %	2.68 %	2.34 %	1.77 %	2.81 %
Expected long-term return on plan assets	2.89 %	2.60 %	3.32 %	N/A	N/A	N/A
Rate of compensation increase	3.61 %	3.62 %	3.68 %	N/A	N/A	N/A

**Discount rates**

The discount rate reflects the current rate at which the pension liabilities could be effectively settled at the end of the year based on our December 31 measurement date. The discount rate was determined by matching our expected benefit payments to payments from a stream of bonds rated AA or higher available in the marketplace. There are no known or anticipated changes in our discount rate assumptions that will impact our pension expense in 2023.

**Expected rates of return**

The expected rate of return is designed to be a long-term assumption that may be subject to considerable year-to-year variance from actual returns. In developing the expected long-term rate of return, we considered our historical returns, with consideration given to forecasted economic conditions, our asset allocations, input from external consultants and broader long-term market indices. Pension plan assets yielded losses of 16.86% in 2022 and 0.89% in 2021, and a return of 9.68% in 2020.

**Healthcare cost trend rates**

The assumed healthcare cost trend rates for other post-retirement plans as of December 31 were as follows:

	2022	2021
Healthcare cost trend rate assumed for following year	5.5 %	5.5 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.0 %	4.0 %
Year the cost trend rate reaches the ultimate trend rate	2043	2046

**Pension plans assets**

**Objective**

The primary objective of our investment strategy is to meet the pension obligation to our employees at a reasonable cost to us. This is primarily accomplished through growth of capital and safety of the funds invested.

**Asset allocation**

Our actual overall asset allocation for our pension plans as compared to our investment policy goals as of December 31 was as follows:

Percentages	Actual		Target	
	2022	2021	2022	2021
Fixed income	58 %	67 %	58 %	68 %
Alternative	42 %	32 %	42 %	32 %
Cash	— %	1 %	— %	— %

**Fair value measurement**

The fair values of our pension plan assets and their respective levels in the fair value hierarchy as of December 31, 2022 and December 31, 2021 were as follows:

In millions	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Other investments	\$ —	\$ —	\$ 11.9	\$ 11.9
Investments measured at NAV				16.5
<b>Total</b>			\$	<b>28.4</b>

In millions	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 0.3	\$ —	\$ —	\$ 0.3
Other investments	—	—	11.0	11.0
Total investments at fair value	\$ 0.3	\$ —	\$ 11.0	\$ 11.3
Investments measured at NAV				23.1
<b>Total</b>			\$	<b>34.4</b>

Valuation methodologies used for investments measured at fair value were as follows:

- *Cash and cash equivalents* — Cash consists of cash held in bank accounts and is considered a Level 1 investment.
- *Other investments* — Other investments include investments in commingled funds with diversified investment strategies. Investments in commingled funds that were valued based on unobservable inputs due to liquidation restrictions were classified as Level 3.

Activity for our Level 3 pension plan assets held during the years ended December 31, 2022 and 2021 was not material.

**Cash flows**

**Contributions**

Pension contributions totaled \$7.5 million and \$8.1 million in 2022 and 2021, respectively. We anticipate our 2023 pension contributions to be approximately \$6.7 million. The 2023 expected contributions will equal or exceed our minimum funding requirements.

**Estimated future benefit payments**

The following benefit payments, which reflect expected future service or payout from termination, as appropriate, are expected to be paid by the plans in each of the next five fiscal years and in the aggregate for the five fiscal years thereafter are as follows:

<i>In millions</i>	<b>Pension plans</b>		<b>Other post-retirement plans</b>
2023	\$	8.0	\$ 1.3
2024		7.9	1.2
2025		7.8	1.1
2026		7.5	1.0
2027		8.3	0.9
2028 - 2032		36.2	3.4

**Savings plan**

We have a 401(k) plan (the “401(k) plan”) with an employee share ownership (“ESOP”) bonus component, which covers certain union and all non-union U.S. employees who met certain age requirements. Under the 401(k) plan, eligible U.S. employees may voluntarily contribute a percentage of their eligible compensation. We match contributions made by employees who met certain eligibility and service requirements. The 401(k) company match contribution is a dollar-for-dollar (100%) matching contribution on up to 5% of employee eligible earnings, contributed as before-tax contributions.

Our expense for the 401(k) plan, including the ESOP, was \$21.4 million, \$19.0 million and \$15.3 million in 2022, 2021 and 2020, respectively.

**Other retirement compensation**

Total other accrued retirement compensation, primarily related to deferred compensation and supplemental retirement plans, was \$28.5 million and \$32.7 million as of December 31, 2022 and 2021, respectively, and is included in *Pension and other post-retirement compensation and benefits* and *Other non-current liabilities* in the Consolidated Balance Sheets.

**12. Shareholders’ Equity**

**Authorized shares**

Our authorized share capital consists of 426.0 million ordinary shares with a par value of \$0.01 per share.

**Share repurchases**

In May 2018, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of \$750.0 million (the “2018 Authorization”). The 2018 Authorization expired on May 31, 2021. In December 2020, the Board of Directors authorized the repurchase of our ordinary shares up to a maximum dollar limit of \$750.0 million (the “2020 Authorization”). The 2020 Authorization expires on December 31, 2025. The 2020 Authorization supplemented the 2018 Authorization.

During the year ended December 31, 2021, we repurchased 2.1 million of our ordinary shares for \$150.0 million of which 0.8 million shares, or \$50.0 million, and 1.3 million shares, or \$100.0 million, were repurchased pursuant to the 2018 Authorization and 2020 Authorization, respectively.

During the year ended December 31, 2022, we repurchased 1.0 million of our ordinary shares for \$50.0 million under the 2020 Authorization. As of December 31, 2022, we had \$600.0 million available for share repurchases under the 2020 Authorization.

**Dividends payable**

On December 12, 2022, the Board of Directors approved a 5 percent increase in the Company's regular quarterly dividend rate (from \$0.21 per share to \$0.22 per share) that was paid on February 3, 2023 to shareholders of record at the close of business on January 20, 2023. The balance of dividends payable included in *Other current liabilities* on our Consolidated Balance Sheets was \$36.2 million at December 31, 2022. Dividends paid per ordinary share were \$0.84, \$0.80 and \$0.76 for the years ended December 31, 2022, 2021 and 2020, respectively.

**13. Share Plans**

**Share-based compensation expense**

Total share-based compensation expense for 2022, 2021 and 2020 was as follows:

<i>In millions</i>	<b>December 31</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Restricted stock units	\$ 14.6	\$ 13.0	\$ 12.5
Stock options	3.7	3.4	3.0
Performance share units	6.6	13.4	4.8
<b>Total share-based compensation expense</b>	<b>\$ 24.9</b>	<b>\$ 29.8</b>	<b>\$ 20.3</b>

**Share incentive plans**

In May 2020, the Pentair plc 2020 Share and Incentive Plan ("2020 Share Plan") was approved during the Annual General Meeting of Shareholders. The Pentair plc 2012 Stock and Incentive Plan ("2012 Stock Plan") terminated upon the approval of the 2020 Share Plan, although awards outstanding under the 2012 Stock Plan continue in effect. Beginning May 5, 2020, all share-based compensation grants were made under the 2020 Share Plan.

The 2020 Share Plan authorizes the issuance of 3.3 million of our ordinary shares, plus the number of shares reserved under the 2012 Stock Plan that were not the subject of outstanding awards as of the date the 2020 Share Plan became effective, which was 2.5 million shares, plus certain shares that would become available under the 2012 Stock Plan if it had remained in effect. The shares may be issued as new shares or from shares held in treasury. Our practice is to settle equity-based awards by issuing new shares. The 2020 Share Plan terminates on the date all shares reserved for issuance have been issued. The 2020 Share Plan allows for the granting to our employees, consultants and directors of stock options, stock appreciation rights, performance share units, restricted shares, restricted stock units, deferred stock rights, incentive awards, dividend equivalent units and other equity-based awards.

The 2020 Share Plan is administered by our compensation committee (the "Committee"), which is made up of independent members of our Board of Directors. Employees eligible to receive awards under the 2020 Share Plan are managerial, administrative or professional employees. The Committee has the authority to select the recipients of awards, determine the type and size of awards, establish certain terms and conditions of award grants and take certain other actions as permitted under the 2020 Share Plan. The 2020 Share Plan prohibits the Committee from re-pricing awards or canceling and reissuing awards at lower prices.

**Non-qualified and incentive stock options**

Under the 2020 Share Plan, we may grant stock options to any eligible employee with an exercise price equal to the market value of the shares on the dates the options were granted. Options generally vest one-third each year over a period of three years commencing on the grant date and expire 10 years after the grant date.

**Restricted shares and restricted stock units**

Under the 2020 Share Plan, eligible employees may be awarded restricted shares or restricted stock units of our common stock. Restricted shares and restricted stock units generally vest one-third each year over a period of three years commencing on the grant date, subject to continuous employment and certain other conditions. Restricted shares and restricted stock units are valued at market value on the date of grant and are expensed over the vesting period.

**Stock appreciation rights, performance shares and performance units**

Under the 2020 Share Plan, the Committee is permitted to issue these awards which are generally contingent on the achievement of predetermined performance goals over a vesting period of three years. The Committee has the ability to adjust performance goals or modify the manner of measuring or evaluating a performance goal using its discretion. PSUs are granted to certain employees that vest based on the satisfaction of a service period of three years and the achievement of certain performance metrics over that same period. Upon vesting, PSU holders receive dividends that accumulate during the vesting period. The fair value of these PSUs is determined based on the closing market price of the Company's ordinary shares at the date of grant. Compensation expense is recognized over the period an employee is required to provide service based on the estimated vesting of the PSUs granted. The estimated vesting of the PSUs is based on the probability of achieving certain performance metrics during the vesting period.

**Stock options**

The following table summarizes stock option activity under all plans for the year ended December 31, 2022:

<i>Shares and intrinsic value in millions</i>	<b>Number of shares</b>	<b>Weighted-average exercise price</b>	<b>Weighted-average remaining contractual life (years)</b>	<b>Aggregate intrinsic value</b>
Outstanding as of January 1, 2022	2.2 \$	42.86		
Granted	0.3	65.67		
Exercised	(0.1)	39.44		
Forfeited	(0.1)	52.45		
<b>Outstanding as of December 31, 2022</b>	<b>2.3 \$</b>	<b>45.16</b>	<b>4.8</b>	<b>\$ 8.3</b>
Options exercisable as of December 31, 2022	1.8 \$	41.69	3.9	\$ 8.2
Options expected to vest as of December 31, 2022	0.5 \$	57.44	7.9	\$ 0.1

**Fair value of options granted**

The weighted average grant date fair value of options granted under Pentair plans in 2022, 2021 and 2020 was estimated to be \$17.88, \$12.88 and \$9.55 per share, respectively. The total intrinsic value of options that were exercised during 2022, 2021 and 2020 was \$0.7 million, \$29.0 million and \$18.0 million, respectively. At December 31, 2022, the total unrecognized compensation cost related to stock options was \$3.9 million. This cost is expected to be recognized over a weighted average period of 1.9 years.

We estimated the fair value of each stock option award issued in the annual share-based compensation grant using a Black-Scholes option pricing model, modified for dividends and using the following assumptions:

	<b>December 31</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Risk-free interest rate	1.18 %	0.37 %	1.61 %
Expected dividend yield	1.14 %	1.56 %	1.80 %
Expected share price volatility	29.60 %	29.60 %	24.10 %
Expected term (years)	6.4	6.5	6.8

These estimates require us to make assumptions based on historical results, observance of trends in our share price, changes in option exercise behavior, future expectations and other relevant factors. If other assumptions had been used, share-based compensation expense, as calculated and recorded under the accounting guidance, could have been affected.

We based the expected life assumption on historical experience as well as the terms and vesting periods of the options granted. For purposes of determining expected volatility, we considered a rolling average of historical volatility measured over a period approximately equal to the expected option term. The risk-free rate for periods that coincide with the expected life of the options is based on the U.S. Treasury Department yield curve in effect at the time of grant.

Cash received from option exercises for the years ended December 31, 2022, 2021 and 2020 was \$2.5 million, \$29.3 million and \$30.8 million, respectively. The tax benefit related to options exercised was \$0.1 million, \$6.2 million and \$2.9 million for the years ended December 31, 2022, 2021 and 2020, respectively.

**Restricted stock units**

The following table summarizes restricted stock unit activity under all plans for the year ended December 31, 2022:

<i>Shares in millions</i>	Number of shares	Weighted average grant date fair value
Outstanding as of January 1, 2022	0.6 \$	47.78
Granted	0.3	59.82
Vested	(0.2)	47.18
Forfeited	(0.1)	53.84
Outstanding as of December 31, 2022	0.6 \$	53.10

As of December 31, 2022, there was \$20.0 million of unrecognized compensation cost related to restricted share compensation arrangements granted under the 2020 Plan and previous plans. That cost is expected to be recognized over a weighted-average period of 0.8 years. The total fair value of shares vested during the years ended December 31, 2022, 2021 and 2020, was \$11.7 million, \$10.5 million and \$11.2 million, respectively. The tax benefit related to restricted stock units vested was \$2.1 million and \$0.6 million for the years ended December 31, 2022 and 2021, respectively. There was no tax benefit realized for the year ended December 31, 2020.

**Performance share units**

The following table summarizes performance share unit activity under all plans for the year ended December 31, 2022:

<i>Shares in millions</i>	Number of shares	Weighted average grant date fair value
Outstanding as of January 1, 2022	0.4 \$	45.55
Granted	0.1	68.19
Vested	(0.1)	38.54
Outstanding as of December 31, 2022	0.4 \$	55.45

The expense recognized each period is dependent upon our estimate of the number of shares that will ultimately be issued. As of December 31, 2022, there was \$11.8 million of unrecognized compensation cost related to performance share compensation arrangements granted under the 2020 Plan and previous plans. That cost is expected to be recognized over a weighted-average period of 1.2 years. The tax benefit related to performance share units was \$0.3 million for the year ended December 31, 2022 and \$0.1 million for each of the years ended December 31, 2021 and 2020.

**14. Segment Information**

We classify our operations into the following business segments:

- **Consumer Solutions** — This segment designs, manufactures and sells energy-efficient residential and commercial pool equipment and accessories, and commercial and residential water treatment products and systems. Residential and commercial pool equipment and accessories include pumps, filters, heaters, lights, automatic controls, automatic cleaners, maintenance equipment and pool accessories. Water treatment products and systems include pressure tanks, control valves, activated carbon products, commercial ice machines, conventional filtration products, and point-of-entry and point-of-use systems. Applications for our pool business's products include residential and commercial pool maintenance, repair, renovation, service and construction. Our water treatment products and systems are used in residential whole home water filtration, drinking water filtration and water softening solutions in addition to commercial total water management and filtration in foodservice operations. In addition, our water solutions business also provides installation and preventative services for water management solutions for commercial operators. The primary focus of this segment is business-to-consumer.
- **Industrial & Flow Technologies** — This segment manufactures and sells a variety of fluid treatment and pump products and systems, including pressure vessels, gas recovery solutions, membrane bioreactors, wastewater reuse systems and advanced membrane filtration, separation systems, water disposal pumps, water supply pumps, fluid transfer pumps, turbine pumps, solid handling pumps, and agricultural spray nozzles, while serving the global residential, commercial and industrial markets. These products and systems are used in a range of applications, fluid delivery, ion exchange, desalination, food and beverage, separation technologies for the oil and gas industry,

residential and municipal wells, water treatment, wastewater solids handling, pressure boosting, circulation and transfer, fire suppression, flood control, agricultural irrigation and crop spray. The primary focus of this segment is business-to-business.

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 and transformation activities, impairments and other unusual non-operating items.

Financial information by reportable segment is as follows:

<i>In millions</i>	2022			2021			2020					
	Net sales						Segment income (loss)					
Consumer Solutions	\$	2,619.5	\$	2,341.9	\$	1,742.9	\$	611.1	\$	554.4	\$	419.1
Industrial & Flow Technologies		1,500.8		1,421.4		1,273.6		242.3		213.3		164.6
Other		1.5		1.5		1.3		(85.7)		(81.8)		(66.1)
Consolidated <sup>(1)</sup>	\$	4,121.8	\$	3,764.8	\$	3,017.8	\$	767.7	\$	685.9	\$	517.6

<sup>(1)</sup> One customer in the Consumer Solutions' pool business represented approximately 20%, 20%, and 15% of our consolidated net sales in 2022, 2021 and 2020, respectively.

<i>In millions</i>	2022			2021			2020											
	Identifiable assets <sup>(1)</sup>			Capital expenditures			Depreciation											
Consumer Solutions	\$	4,496.7	\$	2,823.0	\$	2,327.9	\$	53.5	\$	32.5	\$	27.4	\$	27.3	\$	23.7	\$	21.4
Industrial & Flow Technologies		1,722.4		1,716.4		1,661.7		24.0		23.0		26.6		19.5		21.4		19.8
Other		228.4		214.2		207.6		7.7		4.7		8.2		7.3		6.1		5.5
Consolidated	\$	6,447.5	\$	4,753.6	\$	4,197.2	\$	85.2	\$	60.2	\$	62.2	\$	54.1	\$	51.2	\$	46.7

<sup>(1)</sup> All cash and cash equivalents are included in "Other."

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

<i>In millions</i>	2022	2021	2020
Segment income	\$ 767.7	\$ 685.9	\$ 517.6
Restructuring and other	(32.4)	(7.5)	(12.7)
Transformation costs	(27.2)	(11.7)	—
Inventory step-up	(5.8)	(2.3)	—
Intangible amortization	(52.5)	(26.3)	(28.4)
Pension and other post-retirement mark-to-market gain (loss)	17.5	2.4	(6.7)
Asset impairment and write-offs	(25.6)	—	(2.7)
Gain (loss) on sale of businesses	0.2	1.4	(0.1)
Russia business exit impact	(4.7)	—	—
Interest expense, net	(61.8)	(12.5)	(23.9)
Deal related costs and expenses	(22.2)	(7.9)	(0.6)
COVID-19 related costs and expenses	—	(0.6)	(10.4)
Legal accrual adjustments and settlements	(0.2)	7.6	—
Other expense	(2.4)	(1.7)	—
Income from continuing operations before income taxes	\$ 550.6	\$ 626.8	\$ 432.1

## 15. Commitments and Contingencies

### Legal proceedings

We have been, and in the future may be, made parties to a number of actions filed or have been, and in the future may be, given notice of potential claims relating to the conduct of our business, including those relating to commercial, regulatory or contractual disputes with suppliers, authorities, customers or parties to acquisitions and divestitures, intellectual property matters, environmental, asbestos, safety and health matters, product liability, the use or installation of our products, consumer matters, and employment and labor 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 and applicable accounting rules. 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.

### Environmental matters

We have been named as defendant, target or a potentially responsible party in a number of environmental clean-ups relating to our current or former business units. 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 December 31, 2022 and 2021, our recorded reserves for environmental matters were not material.

### 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.

### Leases

Our lease portfolio principally consists of operating leases related to facilities, machinery, equipment and vehicles. Our accounting for lease terms does not include options to extend or terminate the lease until we are reasonably certain that we will exercise that option. Operating lease cost for lease payments is recognized on a straight-line basis over the lease term and principally consists of fixed payments for base rent.

These operating lease right-of-use ("ROU") assets are included in *Other non-current assets* on the Consolidated Balance Sheets, and represent our right to use the underlying asset for the lease term. Our obligation to make lease payments arising from the lease are included in *Other current liabilities* and *Other non-current liabilities* on the Consolidated Balance Sheets. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As we cannot readily determine the rate implicit in the lease, we use our incremental borrowing rate, determined by country of lease origin, based on the anticipated lease term at the commencement date in determining the present value of lease payments. The ROU asset also excludes any accrued lease payments and unamortized lease incentives.

For measurement and classification of lease agreements, we group lease and non-lease components into a single lease component for all underlying asset classes. Accordingly, all costs associated with a lease contract are accounted for as one lease cost.

The components of lease cost were as follows:

<i>In millions</i>	December 31, 2022	December 31, 2021
Operating lease cost	\$ 46.8	\$ 37.2
Sublease income	(0.9)	(1.0)
Total lease cost	\$ 45.9	\$ 36.2

Supplemental cash flow information related to leases was as follows:

<i>In millions</i>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Operating cash flows from operating leases	\$ 47.3	\$ 41.5
Right-of-use assets obtained in exchange for lease obligations	\$ 19.3	\$ 12.2

Other information related to leases was as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Weighted-average remaining lease term of operating leases (years)	3.7	4.1
Weighted-average discount rate of operating leases	4.4 %	5.1 %

Future minimum lease commitments under non-cancelable operating leases as of December 31, 2022 were as follows:

<i>In millions</i>		
2023	\$	32.2
2024		24.9
2025		14.1
2026		8.4
2027		4.7
Thereafter		3.7
Total lease payments		88.0
Less: imputed interest		(6.3)
Total	\$	81.7

**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. We have 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.

The changes in the carrying amount of service and product warranties from continuing operations were as follows:

<i>In millions</i>	<b>Years ended December 31</b>		
	<b>2022</b>	<b>2021</b>	<b>2020</b>
Beginning balance	\$ 40.5	\$ 37.0	\$ 32.1
Service and product warranty provision	85.3	55.3	55.3
Payments	(70.4)	(51.8)	(51.1)
Acquisitions	8.0	0.3	0.2
Foreign currency translation	(0.3)	(0.3)	0.5
Ending balance	\$ 63.1	\$ 40.5	\$ 37.0

***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 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 December 31, 2022 and 2021, the outstanding value of bonds, letters of credit and bank guarantees totaled \$99.7 million and \$104.5 million, respectively.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the year ended December 31, 2022, 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 as of the year ended December 31, 2022 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.

**Management’s Annual Report on Internal Control Over Financial Reporting**

The report of management required under this ITEM 9A is contained in ITEM 8 of this Annual Report on Form 10-K under the caption “Management’s Report on Internal Control Over Financial Reporting.”

**Attestation Report of Independent Registered Public Accounting Firm**

The attestation report required under this ITEM 9A is contained in ITEM 8 of this Annual Report on Form 10-K under the caption “Report of Independent Registered Public Accounting Firm.”

**Changes in Internal Control over Financial Reporting**

During the year ended December 31, 2022 we completed the acquisition of Manitowoc Ice. As part of our ongoing integration activities associated with the Manitowoc Ice acquisition, we are reviewing the internal controls and procedures of Manitowoc Ice and working to augment our company-wide controls to reflect the risks inherent in the acquisition. There were no other changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**ITEM 9B. OTHER INFORMATION**

None.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

### PART III

#### ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required under this item with respect to directors is contained in our Proxy Statement for our 2023 annual general meeting of shareholders under the captions “Corporate Governance Matters” and “Proposal 1 Re-elect Director Nominees” and is incorporated herein by reference.

Information required under this item with respect to executive officers is contained in Part I of this Form 10-K under the caption “Information About Our Executive Officers.”

Our Board of Directors has adopted Pentair’s Code of Business Conduct and Ethics and designated it as the code of ethics for the Company’s Chief Executive Officer and senior financial officers. The Code of Business Conduct and Ethics also applies to all employees and directors in accordance with New York Stock Exchange Listing Standards. We have posted a copy of Pentair’s Code of Business Conduct and Ethics on our website at <http://pentair.com/en/about-us/leadership/corporate-governance>. We intend to satisfy the disclosure requirements under Item 5.05 of Form 8-K regarding amendments to or waivers from, Pentair’s Code of Business Conduct and Ethics by posting such information on our website at <http://pentair.com/en/about-us/leadership/corporate-governance>.

We are not including the information contained on our website as part of, or incorporating it by reference into, this report.

#### ITEM 11. EXECUTIVE COMPENSATION

Information required under this item is contained in our Proxy Statement for our 2023 annual general meeting of shareholders under the captions “Compensation Discussion and Analysis,” “Compensation Committee Report,” “Executive Compensation Tables” and “Corporate Governance Matters - Director Compensation” and is incorporated herein by reference.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

Information required under this item with respect to security ownership is contained in our Proxy Statement for our 2023 annual general meeting of shareholders under the caption “Security Ownership” and is incorporated herein by reference.

The following table summarizes, as of December 31, 2022, information about compensation plans under which our equity securities are authorized for issuance:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders:			
2020 Share and Incentive Plan	1,236,329 <sup>(1)</sup>	\$ 59.02 <sup>(2)</sup>	4,869,297 <sup>(3)</sup>
2012 Stock and Incentive Plan	2,187,017 <sup>(4)</sup>	41.16 <sup>(2)</sup>	198,155 <sup>(5)</sup>
<b>Total</b>	<b>3,423,346</b>	<b>\$ 44.86 <sup>(2)</sup></b>	<b>5,067,452</b>

<sup>(1)</sup> Consists of 510,873 shares subject to stock options, 477,618 shares subject to restricted stock units, and 247,838 shares subject to performance share awards.

<sup>(2)</sup> Represents the weighted average exercise price of outstanding stock options and does not take into account outstanding restricted stock units or performance share units.

<sup>(3)</sup> Represents securities remaining available for issuance under the 2020 Share and Incentive Plan.

<sup>(4)</sup> Consists of 1,954,892 shares subject to stock options, 118,976 shares subject to restricted stock units, and 113,149 shares subject to performance share awards.

<sup>(5)</sup> The 2012 Stock and Incentive Plan was terminated in 2020. Stock options, restricted stock units and performance share awards previously granted under the 2012 Stock and Incentive Plan remain outstanding, but no further options or shares may be granted under this plan.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE**

Information required under this item is contained in our Proxy Statement for our 2023 annual general meeting of shareholders under the captions “Proposal 1 Re-elect Director Nominees - Director Independence” and “Corporate Governance Matters - The Board’s Role and Responsibilities - Policies and Procedures Regarding Related Person Transactions” and is incorporated herein by reference.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

Information required under this item is contained in our Proxy Statement for our 2023 annual general meeting of shareholders under the caption “Proposal 3 Ratify, by Nonbinding, Advisory Vote, the Appointment of Deloitte & Touche LLP (PCAOB ID No. 34) as the Independent Auditor of Pentair plc and to Authorize, by Binding Vote, the Audit and Finance Committee of the Board of Directors to Set the Auditor’s Remuneration” and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) List of documents filed as part of this report:

(1) Financial Statements

Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2022, 2021 and 2020  
Consolidated Balance Sheets as of December 31, 2022 and 2021  
Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020  
Consolidated Statements of Changes in Equity for the years ended December 31, 2022, 2021 and 2020  
Notes to Consolidated Financial Statements

(2) Financial Statement Schedule

None.

All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(3) Exhibits

The exhibits of this Annual Report on Form 10-K included herein are set forth below.

Exhibit Number	Exhibit
<a href="#">3.1</a>	Amended and Restated Memorandum and Articles of Association of Pentair plc (Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of Pentair plc filed with the Commission on May 9, 2017 (File No. 001-11625)).
<a href="#">4.1</a>	Amended and Restated Credit Agreement, dated as of December 16, 2021, among Pentair plc, Pentair Finance S.à r.l., Pentair, Inc. and the lenders and agents party thereto (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Pentair plc filed with the Commission on December 20, 2021 (File No. 001-11625)).
<a href="#">4.2</a>	Amendment No. 1, dated as of December 23, 2022, to Amended and Restated Credit Agreement, dated as of December 16, 2021, among Pentair plc, Pentair Finance S.à r.l., Pentair, Inc. and the lenders and agents party thereto.
<a href="#">4.3</a>	Indenture, dated as of September 16, 2015, among Pentair Finance S.A. (as Issuer), Pentair plc (as Parent and Guarantor), Pentair Investments Switzerland GmbH (as Guarantor) and U.S. Bank National Association (as Trustee) (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Pentair plc filed with the Commission on September 16, 2015 (File No. 001-11625)).
<a href="#">4.4</a>	Third Supplemental Indenture, dated as of September 16, 2015, among Pentair Finance S.A. (as Issuer), Pentair plc (as Parent and Guarantor), Pentair Investments Switzerland GmbH (as Guarantor) and U.S. Bank National Association (as Trustee) (Incorporated by reference to Exhibit 4.4 to the Current Report on Form 8-K of Pentair plc filed with the Commission on September 16, 2015 (File No. 001-11625)).
<a href="#">4.5</a>	Fifth Supplemental Indenture, dated as of May 26, 2017, among Pentair Finance S.A., Pentair plc, Pentair Investments Switzerland GmbH and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K of Pentair plc filed with the Commission on May 31, 2017 (File No. 001-11625)).
<a href="#">4.6</a>	Sixth Supplemental Indenture, dated as of June 21, 2019, among Pentair Finance S.à r.l. (as Issuer), Pentair plc (as Parent and Guarantor), Pentair Investments Switzerland GmbH (as Guarantor) and U.S. Bank National Association (as Trustee) (Incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of Pentair plc filed with the Commission on June 21, 2019 (File No. 001-11625)).

- [4.7](#) Seventh Supplemental Indenture, dated as of June 22, 2020, among Pentair Finance S.à r.l. (as Issuer), Pentair plc (as Parent and Guarantor), Pentair Investments Switzerland GmbH (as Guarantor) and U.S. Bank National Association (as Trustee) (Incorporated by reference to Exhibit 4.2 to the Quarterly Report on Form 10-Q of Pentair plc filed with the Commission on July 23, 2020 (File No. 001-11625)).
- [4.8](#) Eighth Supplemental Indenture, dated as of July 8, 2022, among Pentair Finance S.à r.l., Pentair plc and U.S. Bank Trust Company, National Association, as trustee (Incorporated by reference to Exhibit 4.3 to the Current Report on Form 8-K of Pentair plc filed with the Commission on July 8, 2022 (File No. 001-11625)).
- [4.9](#) Loan Agreement, dated as of March 24, 2022, among Pentair plc, Pentair Finance S.à r.l., and the lenders and agents party thereto (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Pentair plc filed with the Commission on March 25, 2022 (File No. 001-11625)).
- [4.10](#) Amendment No. 1, dated as of June 30, 2022, to Loan Agreement, among Pentair plc, Pentair Finance S.à r.l., and the lenders and agents party thereto (Incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Pentair plc filed with the Commission on June 30, 2022 (File No. 001-11625)).
- [4.11](#) Description of Securities.
- [10.1](#) Tax Matters Agreement, dated as of April 27, 2018, by and between Pentair plc and nVent Electric plc (Incorporated by reference to Exhibit 2.2 to the Current Report on Form 8-K of Pentair plc filed with the Commission on April 30, 2018 (File No. 001-11625)).
- [10.2](#) Pentair plc 2012 Stock and Incentive Plan, as amended and restated effective as of January 1, 2017. (Incorporated by reference to Exhibit 10.2 to the Annual Report on Form 10-K of Pentair plc for the year ended December 31, 2016 (File No. 001-11625)).\*
- [10.3](#) Form of Executive Officer Stock Option Grant Agreement for grants made prior to January 1, 2017 (Incorporated by reference to Exhibit 10.7 in the Current Report on Form 8-K of Pentair plc filed with the Commission on June 3, 2014 (File No. 001-11625)).\*
- [10.4](#) Form of Non-Employee Director Stock Option Grant Agreement (Incorporated by reference to Exhibit 10.10 in the Current Report on Form 8-K of Pentair plc filed with the Commission on June 3, 2014 (File No. 001-11625)).\*
- [10.5](#) Form of Key Executive Employment and Severance Agreement for John L. Stauch (Incorporated by reference to Exhibit 10.1 in the Quarterly Report on Form 10-Q of Pentair plc for the quarter ended June 30, 2018 (File No. 001-11625)).\*
- [10.6](#) Form of Key Executive Employment and Severance Agreement for Karla C. Robertson, Philip M. Rolchigo, Robert P. Fishman, Jerome O. Pedretti and Stephen J. Pilla (Incorporated by reference to Exhibit 10.3 in the Quarterly Report on Form 10-Q of Pentair plc for the quarter ended June 30, 2018 (File No. 001-11625)).\*
- [10.7](#) Amendment to Key Executive Employment and Severance Agreement, as of January 1, 2021, for John L. Stauch, Karla C. Robertson, Philip M. Rolchigo, Robert P. Fishman, Jerome O. Pedretti and Stephen J. Pilla (Incorporated by reference to Exhibit 10.32 to the Annual Report on Form 10-K of Pentair plc for the year ended December 31, 2020 (File No. 001-11625)).\*
- [10.8](#) Form of Key Executive Employment and Severance Agreement for Adrian C. Chiu, Tanya L. Hooper and De'Mon Wiggins (Incorporated by reference to Exhibit 10.8 to the Annual Report on Form 10-K of Pentair plc for the year ended December 31, 2021 (File No. 001-11625)).\*
- [10.9](#) Pentair plc Compensation Plan for Non-Employee Directors, as amended and restated (Incorporated by reference to Exhibit 10.6 in the Current Report on Form 8-K of Pentair plc filed with the Commission on June 3, 2014 (File No. 001-11625)).\*
- [10.10](#) Pentair plc Employee Stock Purchase and Bonus Plan, as amended and restated effective as of January 1, 2021. (Incorporated by reference to Exhibit 10.11 to the Annual Report on Form 10-K of Pentair plc for the year ended December 31, 2020 (File No. 001-11625)).\*
- [10.11](#) Pentair, Inc. Non-Qualified Deferred Compensation Plan, as amended and restated (Incorporated by reference to Exhibit 10.17 to the Annual Report on Form 10-K of Pentair plc for the year ended December 31, 2018 (File No. 001-11625)).\*
- [10.12](#) Trust Agreement for Pentair, Inc. Non-Qualified Deferred Compensation Plan between Pentair, Inc. and Fidelity Management Trust Company (Incorporated by reference to Exhibit 10.18 contained in the Annual Report on Form 10-K of Pentair, Inc. for the year ended December 31, 1995 (File No. 000-04689)).\*
- [10.13](#) Pentair, Inc. Supplemental Executive Retirement Plan effective January 1, 2009, as amended and restated (Incorporated by reference to Exhibit 10.13 in the Current Report on Form 8-K of Pentair plc filed with the Commission on June 3, 2014 (File No. 001-11625)).\*

- [10.14](#) Pentair, Inc. Restoration Plan effective January 1, 2009, as amended and restated (Incorporated by reference to Exhibit 10.14 in the Current Report on Form 8-K of Pentair plc filed with the Commission on June 3, 2014 (File No. 001-11625)).\*
- [10.15](#) Form of Deed of Indemnification for directors and executive officers of Pentair plc (Incorporated by reference to Exhibit 10.15 in the Current Report on Form 8-K of Pentair plc filed with the Commission on June 3, 2014 (File No. 001-11625)).\*
- [10.16](#) Form of Indemnification Agreement for directors and executive officers of Pentair plc (Incorporated by reference to Exhibit 10.16 in the Current Report on Form 8-K of Pentair plc filed with the Commission on June 3, 2014 (File No. 001-11625)).\*
- [10.17](#) Form of Executive Officer Stock Option Grant Agreement for grants made on or after January 1, 2017 and prior to February 26, 2018 (Incorporated by reference to Exhibit 10.31 to the Annual Report on Form 10-K of Pentair plc for the year ended December 31, 2016 (File No. 001-11625)).\*
- [10.18](#) Form of Executive Officer Stock Option Award Agreement for grants made on or after February 26, 2018 and prior to May 5, 2020 (Incorporated by reference to Exhibit 10.4 to the Quarterly Report on Form 10-Q of Pentair plc for the quarter ended March 31, 2018 (File No. 001-11625)).\*
- [10.19](#) Pentair plc 2020 Share and Incentive Plan, effective as of May 5, 2020 (Incorporated by reference to Appendix B to the Definitive Proxy Statement on Schedule 14A of Pentair plc filed on March 20, 2020 (File No. 001-11625)).\*
- [10.20](#) Form of Employee Restricted Stock Unit Award Agreement under the Pentair plc 2020 Share and Incentive Plan (Incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-8 of Pentair plc (Reg. No. 333-238544)).\*
- [10.21](#) Form of Non-Employee Director Restricted Stock Unit Award Agreement under the Pentair plc 2020 Share and Incentive Plan (Incorporated by reference to Exhibit 99.2 to the Registration Statement on Form S-8 of Pentair plc (Reg. No. 333-238544)).\*
- [10.22](#) Form of Key Talent Award Agreement under the Pentair plc 2020 Share and Incentive Plan (Incorporated by reference to Exhibit 99.3 to the Registration Statement on Form S-8 of Pentair plc (Reg. No. 333-238544)).\*
- [10.23](#) Form of Stock Option Award Agreement under the Pentair plc 2020 Share and Incentive Plan (Incorporated by reference to Exhibit 99.4 to the Registration Statement on Form S-8 of Pentair plc (Reg. No. 333-238544)).\*
- [10.24](#) Form of Performance Share Unit Award Agreement under the Pentair plc 2020 Share and Incentive Plan (Incorporated by reference to Exhibit 99.5 to the Registration Statement on Form S-8 of Pentair plc (Reg. No. 333-238544)).\*
- [10.25](#) Pentair plc Executive Officer Severance Plan (Incorporated by reference to Exhibit 10.30 to the Annual Report on Form 10-K of Pentair plc for the year ended December 31, 2020 (File No. 001-11625)).\*
- [10.26](#) Amendment No. 1 to the Pentair plc 2020 Share and Incentive Plan (Incorporated by reference to Exhibit 10.31 to the Annual Report on Form 10-K of Pentair plc for the year ended December 31, 2020 (File No. 001-11625)).\*
- [10.27](#) Purchase Agreement, dated March 2, 2022, by and between Welbilt, Inc., Pentair Commercial Ice LLC, and Pentair plc (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Pentair plc filed with the Commission on March 4, 2022 (File No. 001-11625)).
- [21](#) List of Pentair plc subsidiaries.
- [22](#) List of Guarantors and Subsidiary Issuers of Guaranteed Securities. (Incorporated by reference to Exhibit 22 to the Quarterly Report on Form 10-Q of Pentair plc for the quarter ended September 30, 2022 (File No. 001-11625)).
- [23](#) Consent of Independent Registered Public Accounting Firm — Deloitte & Touche LLP.
- [24](#) Power of attorney.
- [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 Annual Report on Form 10-K for the year ended December 31, 2022 are filed herewith, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Consolidated Statements of Operations and Comprehensive Income for the years ended December 31, 2022, 2021 and 2020, (ii) the Consolidated Balance Sheets as of December 31, 2022 and 2021, (iii) the Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020, (iv) the Consolidated Statements of Changes in Equity for the years ended December 31, 2022, 2021 and 2020 and (v) the Notes to the Consolidated Financial Statements. The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.

**104** Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

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\* Denotes a management contract or compensatory plan or arrangement.

**ITEM 16. FORM 10-K SUMMARY**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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 February 21, 2023.

PENTAIR PLC

By /s/ Robert P. Fishman  
Robert P. Fishman  
Executive Vice President, Chief Financial Officer and  
Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated, on February 21, 2023.

<u>Signature</u>	<u>Title</u>
<u>/s/ John L. Stauch</u> John L. Stauch	President and Chief Executive Officer, Director
<u>/s/ Robert P. Fishman</u> Robert P. Fishman	Executive Vice President, Chief Financial Officer and Chief Accounting Officer
<u>*</u> Mona Abutaleb Stephenson	Director
<u>*</u> Melissa Barra	Director
<u>*</u> Glynis A. Bryan	Director
<u>*</u> T. Michael Glenn	Director
<u>*</u> Theodore L. Harris	Director
<u>*</u> David A. Jones	Director
<u>*</u> Gregory E. Knight	Director
<u>*</u> Michael T. Speetzen	Director
<u>*</u> Billie I. Williamson	Director
*By <u>/s/ Karla C. Robertson</u> Karla C. Robertson Attorney-in-fact	

**EXECUTION COPY**

AMENDMENT NO. 1

Dated as of December 23, 2022

to

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of December 16, 2021

THIS AMENDMENT NO. 1 (this "Amendment") is made as of December 23, 2022 by and among Pentair Finance S.à r.l., a Luxembourg private limited liability company (*Société à responsabilité limitée*) having its registered office at 26, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés*, Luxembourg) under number B.166305 (the "Company"), Pentair plc (the "Parent") and Pentair, Inc. (the "Affiliate Borrower", collectively with the Company and Parent, the "Loan Parties"), the Lenders party hereto and JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders (the "Administrative Agent"), under that certain Amended and Restated Credit Agreement dated as of December 16, 2021 by and among the Loan Parties, the Lenders from time to time party thereto and the Administrative Agent (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, the Loan Parties have requested that the Lenders agree to make certain modifications to the Credit Agreement;

WHEREAS, the Loan Parties, the Lenders party hereto and the Administrative Agent have agreed to amend the Credit Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Loan Parties, the Lenders party hereto and the Administrative Agent hereby agree to enter into this Amendment.

1. Amendments to the Credit Agreement. Effective as of the date of satisfaction of the conditions precedent set forth in Section 2 below (such date, the "Amendment Effective Date"), the parties hereto agree that the Credit Agreement (including the Exhibits thereto) shall be amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement (including the Schedules and Exhibits thereto) attached as Annex A hereto (the Credit Agreement as so amended, the "Amended Credit Agreement").

2. Conditions of Effectiveness. This Amendment shall become effective as of the first date on which each of the following conditions shall have been satisfied:

(a) The Administrative Agent (or its counsel) shall have received counterparts of this Amendment duly executed by each of the Loan Parties, each of the Lenders and the Administrative Agent.

(b) The Administrative Agent shall have received payment and/or reimbursement of the Administrative Agent's and its affiliates' fees and expenses (including the reasonable, documented and invoiced fees, disbursements and other charges of one primary counsel (and one additional local counsel in each applicable jurisdiction) for the Administrative Agent) in accordance with the Loan Documents, to the extent invoiced (in reasonable detail) to the Company at least one (1) Business Day prior to the Amendment Effective Date.

3. Representations and Warranties of the Loan Parties. Each Loan Party hereby represents and warrants as follows:

(a) Each of this Amendment and the Amended Credit Agreement constitutes a valid and binding agreement of each Loan Party enforceable against the applicable Loan Parties in accordance with its terms, except to the extent that the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter affecting creditors' rights generally, any mandatory applicable provisions of Luxembourg law of general application and general principles of equity.

(b) As of the date hereof and immediately after giving effect to the terms of this Amendment, (i) no Default has occurred and is continuing and (ii) the representations and warranties of the Borrowers set forth in the Credit Agreement (other than the representations contained in Sections 3.04(c) and 3.05 of the Credit Agreement) are true and correct in all material respects (provided that any representation or warranty that is qualified by materiality or Material Adverse Effect is true and correct in all respects), or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date.

4. Confirmation of Guarantees. The Parent, by its execution of this Amendment, hereby consents to this Amendment and confirms and ratifies that all of its obligations as a Guarantor under the Amended Credit Agreement shall continue in full force and effect for the benefit of the Administrative Agent and the Lenders with respect to the Amended Credit Agreement.

5. Reference to and Effect on the Credit Agreement.

(a) From and after the effectiveness of the amendment to the Credit Agreement evidenced hereby, the terms "Agreement", "this Agreement", "herein", "hereinafter", "hereto", "hereof" and words of similar import, as used in the Amended Credit Agreement, shall, unless the context otherwise requires, refer to the Amended Credit Agreement, and the term "Credit Agreement", as used in the other Loan Documents, shall mean the Amended Credit Agreement.

(b) Each Loan Document and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement, the Loan Documents or any other documents, instruments and agreements executed and/or delivered in connection therewith.

(d) This Amendment shall be a Loan Document.

6. Governing Law; Jurisdiction. This Amendment shall be construed in accordance with and governed by the law of the State of New York. Each Loan Party hereby irrevocably and

unconditionally submits, for itself and its property, to only the jurisdiction of (i) the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan) and (ii) any U.S. federal or Illinois state court sitting in Chicago, Illinois, and in each case any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Amendment or any other Loan Document shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Amendment or any other Loan Document against any Loan Party or its properties (i) in the courts of any jurisdiction, and (ii) in respect of any Loan Party incorporated in Luxembourg only, any courts having jurisdiction where the head office, central administration, centre of main interest, place of effective management, domicile and/or establishment of that Loan Party is situated or where any asset of that Loan Party is situated.

7. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

8. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Amendment and/or any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, “Electronic Signatures” means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective authorized officers as of the day and year first above written.

PENTAIR FINANCE S.À R.L.,  
as the Company

By: /s/ Julie Flaherty \_\_\_\_\_  
Name: Julie Flaherty  
Title: Manager

PENTAIR PLC,  
as the Parent

By: /s/ Robert P. Fishman  
Name: Robert P. Fishman  
Title: Executive Vice President, Chief Financial Officer  
and Chief Accounting Officer

PENTAIR INC.,  
as an Affiliate Borrower

By: /s/ Robert P. Fishman  
Name: Robert P. Fishman  
Title: President

JPMORGAN CHASE BANK, N.A.,  
individually as a Lender, as a Swingline Lender,  
as an Issuing Bank and as Administrative Agent

By: /s/ Will Rice \_\_\_\_\_  
Name: Will Rice  
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,  
individually as a Lender, as a Swingline Lender  
and as an Issuing Bank

By: /s/ Tyrone Parker  
Name: Tyrone Parker  
Title: Vice President

CITIBANK, N.A.,  
individually as a Lender, as a Swingline Lender  
and as an Issuing Bank

By: /s/ Jim Oleskewicz  
Name: Jim Oleskewicz  
Title: Vice President

BANK OF AMERICA, N.A.,  
individually as a Lender, as a Swingline Lender  
and as an Issuing Bank

By: /s/ Eric Hill \_\_\_\_\_  
Name: Eric Hill  
Title: Director

MUFG BANK, LTD.,  
individually as a Lender, as a Swingline Lender  
and as an Issuing Bank

By: /s/ Jorge Georgalos  
Name: Jorge Georgalos  
Title: Director

PNC BANK, NATIONAL ASSOCIATION,  
as a Lender

By: /s/ Ana Gaytan \_\_\_\_\_  
Name: Ana Gaytan  
Title: Assistant Vice President

WELLS FARGO BANK, NATIONAL  
ASSOCIATION,  
as a Lender

By: /s/ Lauren Lantero  
Name: Lauren Lantero  
Title: Vice President

BMO HARRIS BANK, N.A., as a Lender and  
as Documentation Agent

By: /s/ Andrea Grosz \_\_\_\_\_  
Name: Andrea Grosz  
Title: Director

Signature Page to Amendment No. 1 to  
Amended and Restated Credit Agreement dated as of December 16, 2021  
Pentair Finance S.à r.l.

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BANCO BILBAO VIZCAYA ARGENTARIA,  
S.A. NEW YORK BRANCH,  
as a Lender

By: /s/ Cara Younger  
Name: Cara Younger  
Title: Managing Director

By: /s/ Armen Semizian  
Name: Armen Semizian  
Title: Executive Director

BANK OF CHINA, LOS ANGELES BRANCH,  
as a Lender

By: /s/ Jason Fu \_\_\_\_\_  
Name: Jason Fu  
Title: Senior Vice President

Signature Page to Amendment No. 1 to  
Amended and Restated Credit Agreement dated as of December 16, 2021  
Pentair Finance S.à r.l.

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ANNEX A

Attached

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Exhibit B-3	--	Form of Opinion of Allen & Overy
Exhibit C-1	--	Form of Increasing Lender Supplement
Exhibit C-2	--	Form of Augmenting Lender Supplement
Exhibit D-1	--	Form of Revolving Credit Note
Exhibit D-2	--	Form of Term Loan Note
Exhibit E	--	List of Closing Documents
Exhibit F-1	--	Form of Affiliate Borrowing Agreement
Exhibit F-2	--	Form of Affiliate Borrowing Termination
Exhibit G-1	--	Form of Borrowing Request
Exhibit G-2	--	Form of Interest Election Request
Exhibits H-1-4	--	Form of U.S. Tax Compliance Certificates
Exhibit I	--	Form of Irish Qualifying Lender Confirmation

## ARTICLE I.

### DEFINITIONS

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to such Loan, or the Loans comprising such Borrowing, bearing interest at a rate determined by reference to the Alternate Base Rate. **All ABR Loans shall be denominated in Dollars.**

“Acquisition” means any transaction or series of related transactions (excluding any transaction solely among the Parent and/or one or more persons that are already Subsidiaries) that result, directly or indirectly, in (a) the acquisition by the Parent or any Subsidiary of all or substantially all of the assets of a Person, or of all or substantially all of any business or division of a Person, (b) the acquisition of in excess of 50% of the capital stock, partnership interests, membership interests or equity of any Person, or otherwise causing any Person to become a Subsidiary, or (c) a merger or consolidation or any other combination with another Person; provided that the Parent or a Subsidiary is the ultimate surviving entity.

“Acquisition Debt” means any Debt of the Parent or any of its Subsidiaries that has been issued for the purpose of financing, in whole or in part, a Material Acquisition and any related transactions or series of related transactions (including for the purpose of refinancing or replacing all or a portion of any pre-existing Debt of the Parent, any of its Subsidiaries or the person(s) or assets to be acquired); provided that (a) the release of the proceeds thereof to the Parent and its Subsidiaries is contingent upon the consummation of such Material Acquisition and, pending such release, such proceeds are held in escrow (and, if the definitive agreement (or, in the case of a tender offer or similar transaction, the definitive offer document) for such acquisition is terminated prior to the consummation of such Material Acquisition or if such Material Acquisition is otherwise not consummated by the date specified in the definitive documentation relating to such Debt, such proceeds shall be promptly applied to satisfy and discharge all obligations of the Parent and its Subsidiaries in respect of such Debt) or (b) such Debt contains a “special mandatory redemption” provision (or other similar provision) or otherwise permits or requires such Debt to be redeemed or prepaid if such Material Acquisition is not consummated by the date specified in the definitive documentation relating to such Debt (and if the definitive agreement (or, in the case of a tender offer or similar transaction, the definitive offer document) for such Material Acquisition is terminated in accordance with its terms prior to the consummation of such Material Acquisition or such Material Acquisition is otherwise not consummated by the date specified in the definitive documentation relating to such Debt, such Debt is so redeemed or prepaid within 90 days of such termination or such specified date, as the case may be).

“Acquisition-Related Incremental Term Loans” has the meaning assigned to such term in Section 2.20.

“Additional Commitment Lender” has the meaning assigned to such term in Section 2.25(d).

**“Adjusted Daily Simple RFR” means (i) with respect to any RFR Borrowing denominated in Dollars, an interest rate per annum equal to (a) the Daily Simple RFR for Dollars, plus (b) 0.10% and (ii) with respect to any RFR Borrowing comprised of Swingline Loans denominated in euro, an interest rate per annum equal to the Daily Simple RFR for euro; provided that if the Adjusted Daily Simple RFR as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.**

“Adjusted EURIBO Rate” means, with respect to any **Eurocurrency Term Benchmark** Borrowing denominated in euro for any Interest Period, an interest rate per annum equal to (a) the

EURIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate; provided that if the Adjusted EURIBO Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Adjusted LIBOTerm SOFR Rate” means, with respect to any EurocurrencyTerm Benchmark Borrowing denominated in Dollars for any Interest Period, an interest rate per annum equal to (a) the LIBOTerm SOFR Rate for such Interest Period ~~multiplied by (b) the Statutory Reserve Rate, plus (b) 0.10%~~; provided that if the Adjusted Term SOFR Rate as so determined would be less than the Floor, such rate shall be deemed to be equal to the Floor for the purposes of this Agreement.

“Administrative Agent” means JPMCB (including its branches and affiliates) in its capacity as administrative agent for the Lenders hereunder, and any successor administrative agent arising under Section 9.04.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, as to any Person, any other Person directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person. A Person shall be deemed to be “controlled by” any other Person if such other Person possesses, directly or indirectly, power to direct or cause the direction of the management and policies of such Person whether by contract or otherwise (but, for the avoidance of doubt, no individual shall be deemed to be an Affiliate of a Person solely because such individual is a director (or the equivalent thereof) or senior officer of such Person).

“Affiliate Borrower Sublimit” means \$300,000,000.

“Affiliate Borrowers” means, collectively, the Initial Affiliate Borrower and any Eligible Subsidiary that becomes an Affiliate Borrower pursuant to Section 2.23 and, in each case, that has not ceased to be an Affiliate Borrower; and “Affiliate Borrower” means any of the Affiliate Borrowers.

“Affiliate Borrowing Agreement” means an Affiliate Borrowing Agreement substantially in the form of Exhibit F-1.

“Affiliate Borrowing Termination” means an Affiliate Borrowing Termination substantially in the form of Exhibit F-2.

“Agreed Currencies” means with respect to (a) Revolving Loans, Agreed Loan Currencies and (b) Letters of Credit, Agreed LC Currencies.

“Agreed LC Currencies” means (a) the Agreed Loan Currencies and (b) any other currency that is (i) readily available and freely transferable and convertible into Dollars and (ii) agreed to by the Company, the Administrative Agent and the relevant Issuing Bank.

“Agreed Loan Currencies” means (i) Dollars, (ii) euro and (iii) any other currency that is (A) a lawful currency (other than Dollars) that is readily available and freely transferable and convertible into Dollars and (B) agreed to by the Administrative Agent and each of the Revolving Lenders.

“Agreement” has the meaning specified in the introductory paragraph.

“Alternate Base Rate” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBOTerm SOFR Rate for a one month Interest Period ~~in Dollars on as published two U.S. Government Securities Business Days prior to~~ such day (or if such day is not a U.S. Government Securities Business Day, the immediately preceding U.S. Government Securities Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted LIBOTerm SOFR Rate for any day shall be based on the ~~LIBO Screen Rate (or if the LIBO Screen Rate is not available for such one month Interest Period, the LIBO Interpolated Rate)~~Term SOFR Reference Rate at approximately ~~11:00 a.m. London time on such day~~5:00 a.m., Chicago time, on such day (or any amended publication time for the Term SOFR Reference Rate, as specified by the CME Term SOFR Administrator in the Term SOFR Reference Rate methodology). Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBOTerm SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBOTerm SOFR Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.14 ~~hereof~~ (for the avoidance of doubt, only until the Benchmark Replacement has been determined pursuant to Section 2.14(b)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as ~~so~~ determined pursuant to the foregoing would be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

“Amendment No. 1 Effective Date” means December 23, 2022.

“Ancillary Document” has the meaning assigned to such term in Section 9.06.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Parent and its affiliated companies concerning or relating to bribery, corruption or money laundering.

“Applicable LC Sublimit” means (i) with respect to JPMCB in its capacity as an Issuing Bank under this Agreement, \$40,000,000, (ii) with respect to Bank of America, N.A. in its capacity as an Issuing Bank under this Agreement, \$40,000,000, (iii) with respect to MUFG Bank, Ltd. in its capacity as an Issuing Bank under this Agreement, \$40,000,000, (iv) with respect to Citibank, N.A. in its capacity as an Issuing Bank under this Agreement, \$40,000,000, (v) with respect to U.S. Bank National Association in its capacity as an Issuing Bank under this Agreement, \$40,000,000 and (vi) with respect to any other Person that becomes an Issuing Bank pursuant to the terms of this Agreement, such amount as agreed to in writing by the Company, the Administrative Agent and such Person at the time such Person becomes an Issuing Bank pursuant to the terms of the Agreement, as each of the foregoing amounts may be decreased or increased from time to time with the written consent of the Company, the Administrative Agent and the Issuing Banks (provided that any increase in the Applicable LC Sublimit with respect to any Issuing Bank shall only require the consent of the Company and such Issuing Bank).

“Applicable Maturity Date” has the meaning assigned to such term in Section 2.25(a).

“Applicable Parties” has the meaning assigned to such term in Section 8.03(c).

“Applicable Percentage” means, with respect to any Lender, (a) with respect to Revolving Loans, Revolving Credit Exposure, LC Exposure or Swingline Loans, the percentage equal to a fraction the numerator of which is such Lender’s Revolving Commitment and the denominator of which is the aggregate Revolving Commitments of all Revolving Lenders (if the Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments); provided that in the case of Section 2.24 when a Defaulting Lender shall exist, any such Defaulting Lender’s Revolving Commitment shall be disregarded in the calculation and (b) with respect to the Term

Loans, a percentage equal to a fraction the numerator of which is such Lender’s outstanding principal amount of the Term Loans and the denominator of which is the aggregate outstanding principal amount of the Term Loans of all Term Lenders.

“Applicable Rate” means, for any day, with respect to any **EurocurrencyTerm Benchmark** Revolving Loan, any **EurocurrencyTerm Benchmark** Term Loan, any ABR Revolving Loan, any ABR Term Loan, any **CBRRFR** Loan, or with respect to the facility fees payable hereunder, as the case may be, the applicable rate per annum set forth below under the caption “**EurocurrencyTerm Benchmark/ RFR** Spread for Revolving Loans”, “**EurocurrencyTerm Benchmark/ RFR** Spread for Term Loans”, “ABR Spread for Revolving Loans”, “ABR Spread for Term Loans”, “**CBR Spread for Revolving Loans**” or “Facility Fee”, as the case may be, based upon the Pricing Level applicable on such date.

Pricing Level	Facility Fee	<b>EurocurrencyTerm Benchmark / RFR</b> Spread for Revolving Loans	ABR Spread for Revolving Loans	<b>CBR Spread for Revolving Loans</b>	<b>EurocurrencyTerm Benchmark/ RFR</b> Spread for Term Loans	ABR Spread for Term Loans
Level I	0.10%	0.90%	0%	<b>0.90%</b>	0.75%	0%
Level II	0.125%	1.00%	0%	<b>1.00%</b>	0.875%	0%
Level III	0.15%	1.10%	0.10%	<b>1.10%</b>	1.00%	0%
Level IV	0.175%	1.20%	0.20%	<b>1.20%</b>	1.125%	0.125%
Level V	0.225%	1.40%	0.40%	<b>1.40%</b>	1.50%	0.50%

For purposes hereof: (i) Pricing Level I, Leverage Level 1 and Ratings Level A are equivalent and correspond to each other, (ii) Pricing Level II, Leverage Level 2 and Ratings Level B are equivalent and correspond to each other, (iii) Pricing Level III, Leverage Level 3 and Ratings Level C are equivalent and correspond to each other, (iv) Pricing Level IV, Leverage Level 4 and Ratings Level D are equivalent and correspond to each other and (v) Pricing Level V, Leverage Level 5 and Ratings Level E are equivalent and correspond to each other.

At any time of determination, the Pricing Level shall be determined by reference to the Leverage Level or the Ratings Level, as the Company shall from time to time elect by written notice to the Administrative Agent, and any change in Pricing Level resulting from such election by the Company shall be effected as promptly as practicable by the Administrative Agent after receiving such written election from the Company. Notwithstanding anything to the contrary set forth in this definition, it is understood and agreed that Pricing Level II shall be deemed to be applicable from the Effective Date until the Administrative Agent’s receipt of the financial statements and related compliance certificate for the Parent’s first fiscal quarter ending after the Effective Date (it being understood and agreed that the Company shall not be permitted to elect pricing by reference to the Ratings Level until such receipt by the Administrative Agent of such financial statements and compliance certificate), and adjustments to the Pricing Level then in effect shall thereafter be effected in accordance with the terms of this definition.

based on such Level, (e) if only two Public Debt Ratings from S&P, Moody's and Fitch are available and such ratings fall within different Levels, then the Ratings Level shall be based on the higher rating unless such ratings differ by two or more Levels, in which case the applicable Ratings Level will be deemed to be one Level above the lower of such Levels, (f) if any rating established by S&P, Moody's or Fitch shall be changed, such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change; (g) if S&P, Moody's or Fitch shall change the basis on which ratings are established, each reference to the Public Debt Rating announced by S&P, Moody's or Fitch, as the case may be, shall refer to the then equivalent rating by S&P, Moody's or Fitch, as the case may be (and if there is no such equivalent rating, to the rating most recently in effect prior to such change); and (h) if any such rating agency shall cease to be in the business of rating corporate debt obligations, the Company and the Lenders shall negotiate in good faith to amend this definition to reflect the unavailability of ratings from such rating agency and, pending the effectiveness of such amendment, the Ratings Level shall be determined by reference to the rating (and the Level applicable thereto) most recently in effect prior to such cessation.

**“Applicable Time” means, with respect to any Borrowings and payments in any Foreign Currency, the local time in the place of settlement for such Foreign Currency as may be determined by the Administrative Agent or the applicable Issuing Bank, as the case may be, to be necessary for timely settlement on the relevant date in accordance with normal banking procedures in the place of payment.**

“Approved Electronic Platform” has the meaning assigned to it in Section 8.03(a).

“Approved Fund” has the meaning assigned to such term in Section 9.04.

“Approved Jurisdictions” means Ireland, Switzerland, Luxembourg, the United States and England and Wales.

“Arrangers” means each of JPMCB, BofA Securities, Inc., Citibank, N.A., MUFG Bank, Ltd. and U.S. Bank National Association in its capacity as a joint bookrunner and joint lead arranger hereunder.

“Assignment and Assumption” means an assignment and assumption agreement entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form (including electronic records generated by the use of an electronic platform) approved by the Administrative Agent.

“Augmenting Lender” is defined in Section 2.20.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Revolving Credit Maturity Date and the date of termination of the Revolving Commitments.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark for any Agreed Loan Currency, as applicable, any tenor for such Benchmark (or component thereof) or payment period for interest calculated with reference to such Benchmark (or component thereof), as applicable, that is or may be used for determining the length of an Interest Period for any term rate or otherwise, for determining any frequency of making payments of interest calculated pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to clause (f) of Section 2.14.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bail-In Lender” is defined in Section 2.19(b).

“Banking Services” means each and any of the following bank services provided to the Parent or any Subsidiary by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, commercial credit cards and purchasing cards), (b) stored value cards, (c) merchant processing services and (d) treasury management services (including, without limitation, controlled disbursement services, automated clearinghouse transactions, return items services, any direct debit scheme or arrangement, overdraft services and interstate depository network services).

“Banking Services Agreement” means any agreement entered into by the Parent or any Subsidiary in connection with Banking Services.

“Bankruptcy Code” means the Federal Bankruptcy Reform Act of 1978 (11 U.S.C. §101, et seq.).

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a voluntary or involuntary bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment or has had any order for relief in such proceeding entered in respect thereof, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, unless such ownership interest results in or provides such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permits such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Benchmark” means, initially, with respect to any **Eurocurrency(i) RFR Loan in any Agreed Loan Currency, the applicable Relevant Rate for such Agreed Loan Currency or (ii) Term Benchmark** Loan, the Relevant Rate for such Agreed **Loan** Currency; provided that if a Benchmark Transition Event, ~~a Term-SOFR-Transition-Event, an Early-Opt-in-Election or an Other Benchmark Rate Election, as applicable, and its~~ **and the** related Benchmark Replacement Date have occurred with respect to the applicable Relevant Rate or the then-current Benchmark for such Agreed **Loan** Currency, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to clause (b) ~~or clause (c)~~ of Section 2.14.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date; provided that, ~~(i)~~ in the case of any Loan denominated in a Foreign Currency ~~or~~

~~(ii) in the case of an Other Benchmark Rate Election~~, “Benchmark Replacement” shall mean the alternative set forth in ~~(32)~~ below:

~~(1) in the case of any Loan denominated in Dollars, the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;~~

~~(21)~~ in the case of any Loan denominated in Dollars, the ~~sum of: (a) Adjusted Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment~~RFR for RFR Borrowings denominated in Dollars; or

~~(32)~~ the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Company as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for syndicated credit facilities denominated in the applicable Agreed Loan Currency at such time in the United States and (b) the related Benchmark Replacement Adjustment;

~~provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service commonly used in the banking industry for such purpose that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion and consistent with such selection generally under other substantially similar syndicated credit facilities for which it acts as the administrative agent; provided further that, that, in the case of clause (3), when such clause is used to determine the Benchmark Replacement in connection with the occurrence of an Other Benchmark Rate Election, the alternate benchmark rate selected by the Administrative Agent and the Company shall be the term benchmark rate that is used in lieu of a LIBOR-based rate in the relevant other Dollar-denominated syndicated credit facilities; provided further that, notwithstanding anything to the contrary in this Agreement or in any other Loan Document, upon the occurrence of a Term SOFR Transition Event, and the delivery of a Term SOFR Notice, on the applicable Benchmark Replacement Date the “Benchmark Replacement” shall revert to and shall be deemed to be the sum of (a) Term SOFR and (b) the related Benchmark Replacement Adjustment, as set forth in clause (1) of this definition (subject to the first proviso above).~~

~~If~~provided that if the Benchmark Replacement as determined pursuant to clause (1), or clause (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero)(1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent reasonably and in good faith;

~~(a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the~~

~~replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;~~

~~(b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and~~

~~(2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero), that has been selected by the Administrative Agent and the Company for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date and/or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Agreed Loan Currency at such time ~~in the United States;~~~~

~~provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service commonly used in the banking industry for such purpose that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion and consistent with such selection generally under other substantially similar syndicated credit facilities for which it acts as the administrative agent.~~

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement and/or any Term Benchmark Revolving Loan denominated in Dollars, any technical, administrative or operational changes (including changes to the definition of “Alternate Base Rate,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “RFR Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent ~~reasonably and in, in consultation with the Company, decides in its reasonable~~ good faith ~~decides~~discretion may be appropriate to reflect the adoption and implementation of such Benchmark ~~Replacement~~ and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent ~~indecides in its reasonable~~ good faith ~~decides~~discretion that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines in its reasonable good faith discretion that no market practice for the administration of such Benchmark ~~Replacement~~ exists, in such other manner of administration as the Administrative Agent, in consultation with the Company, decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date” means, with respect to any Benchmark, the earliest to occur of the following events with respect to such then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the

calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; provided, ~~that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (3) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date;~~

~~(3) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the date a Term SOFR Notice is provided to the Lenders and the Company pursuant to Section 2.14(c) so long as the Administrative Agent has not received by such time, written notice of objection to such Term SOFR Notice from the Company; or~~

~~(4) in the case of an Early Opt-in Election or an Other Benchmark Rate Election, the sixth (6<sup>th</sup>) Business Day after the date notice of such Early Opt-in Election or Other Benchmark Rate Election, as applicable, is provided to the Lenders (and the Company), so long as the Administrative Agent has not received, by 5:00 p.m., New York City time, on the fifth (5<sup>th</sup>) Business Day after the date notice of such Early Opt-in Election or Other Benchmark Rate Election, as applicable, is provided to the Lenders, written notice of objection to such Early Opt-in Election or Other Benchmark Rate Election, as applicable, from Lenders comprising the Required Lenders.~~

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means, with respect to any Benchmark, the occurrence of one or more of the following events with respect to such then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely as of a specific date; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board, the NYFRB, the CME Term SOFR Administrator, the central bank for the Agreed Loan Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely as of a specific date; provided that, at the time of such statement or

publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means, with respect to any Benchmark, the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14 and (y) ending at the time that a Benchmark Replacement has replaced such then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” means the Company or any Affiliate Borrower.

“Borrowing” means (a) Revolving Loans of the same Type, made, converted or continued on the same date and, in the case of **Eurocurrency Term Benchmark** Loans, as to which a single Interest Period is in effect, (b) a Term Loan of the same Type and Class, made, converted or continued on the same date and, in the case of **Eurocurrency Term Benchmark** Loans, as to which a single Interest Period is in effect or (c) a Swingline Loan.

“Borrowing Request” means a request by any Borrower for a Borrowing in accordance with Section 2.03 in substantially the form attached hereto as Exhibit G-1 or such other form as the Administrative Agent may approve from time to time.

“Business Day” means ~~any day (other than a Saturday or a Sunday) on which banks are open for business in New York City; provided that, (i) in relation to the calculation or computation of LIBOR, any day (other than a Saturday or a Sunday) on which banks are open for business in London and New York City; provided that, in addition to the foregoing, a Business Day shall be~~ (ii) in relation to Loans denominated in euro and in relation to the calculation or

computation of ~~EURIBOR~~ the EURIBO Rate, any day which is a TARGET Day, (ii) in relation to RFR Loans and any interest rate settings, fundings, disbursements, settlements or payments of any such RFR Loan, or any other dealings in the applicable Agreed Currency of such RFR Loan, any such day that is only a RFR Business Day and (iii) in relation to Loans referencing the Adjusted Term SOFR Rate and any interest rate settings, fundings, disbursements, settlements or payments of any such Loans referencing the Adjusted Term SOFR Rate or any other dealings of such Loans referencing the Adjusted Term SOFR Rate, any such day that is a U.S. Government Securities Business Day.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the Administrative Agent, the applicable Issuing Bank and the Revolving Lenders, as collateral or support for the LC Exposure, cash or deposit account balances, or a standby letter of credit from a financial institution satisfactory to the Administrative Agent, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and the applicable Issuing Bank (which documents are hereby consented to by the Lenders). Derivatives of such term shall have corresponding meanings.

“CBR Loan” means a Loan that bears interest at a rate determined by reference to the Central Bank Rate.

“CBR Spread” means the Applicable Rate applicable to a Loan that is replaced by a CBR Loan.

“Central Bank Rate” means, ~~(A)~~ the greater of (i) ~~(A)~~ for any Loan denominated in ~~(a)~~ euro, one of the following three rates as may be selected by the Administrative Agent reasonably and in good faith: (1) the fixed rate for the main refinancing operations of the European Central Bank (or any successor thereto), or, if that rate is not published, the minimum bid rate for the main refinancing operations of the European Central Bank (or any successor thereto), each as published by the European Central Bank (or any successor thereto) from time to time, (2) the rate for the marginal lending facility of the European Central Bank (or any successor thereto), as published by the European Central Bank (or any successor thereto) from time to time, or (3) the rate for the deposit facility of the central banking system of the Participating Member States, as published by the European Central Bank (or any successor thereto) from time to time and ~~(bc)~~ any other Foreign Currency determined after the Effective Date, a central bank rate as determined by the Administrative Agent in its reasonable good faith discretion ~~and (ii) 0%~~; plus (B) the applicable Central Bank Rate Adjustment and (ii) the Floor.

“Central Bank Rate Adjustment” means, for any day, for any Loan denominated in:

(a) euro, a rate equal to the difference (which may be a positive or negative value or zero) of (i) the average of the Adjusted EURIBO Rate for the ~~last~~ five ~~(5)~~ most recent Business Days preceding such day for which the EURIBO Screen Rate was available (excluding, from such averaging, the highest and the lowest Adjusted EURIBO Rate applicable during such period of five Business Days) minus (ii) the Central Bank Rate in respect of euro in effect on the last Business Day in such period, and

(b) any other Foreign Currency determined after the Effective Date, an adjustment as determined by the Administrative Agent in its reasonable good faith discretion designed to represent the reserve ratio or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Loans.

For purposes of this definition, (x) the term Central Bank Rate shall be determined disregarding clause ~~(i)~~(B) of the definition of such term and (y) the EURIBO Rate on any day shall be based on the EURIBO Screen Rate on such day at approximately the time referred to in the definition of such term for deposits in the applicable Agreed Currency for a maturity of one month ~~(or, in the~~

~~event the EURIBO Screen Rate for deposits in the applicable Agreed Currency is not available for such maturity of one month, shall be based on the EURIBO Interpolated Rate as of such time); provided that if such rate shall be less than zero, such rate shall be deemed to be zero.~~

“Change in Law” means the occurrence, after the Effective Date (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided however, that notwithstanding anything herein to the contrary, except to the extent they are merely proposed and not in effect, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law” regardless of the date enacted, adopted, issued or implemented.

“Charges” has the meaning assigned to such term in Section 9.14.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Term Loans or Swingline Loans.

“CME Term SOFR Administrator” means CME Group Benchmark Administration Limited as administrator of the forward-looking term Secured Overnight Financing Rate (SOFR) (or a successor administrator).

“Code” means the Internal Revenue Code of 1986, as amended from time to time

“Combination” has the meaning assigned to such term in Section 2.09(c).

“Combined Lender” has the meaning assigned to such term in Section 2.09(c).

“Commitment” means, (a) the Revolving Commitments and the Term Loan Commitments and (b) with respect to each Lender, the sum of such Lender’s Revolving Commitment and Term Loan Commitment. The initial amount of each Lender’s Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation or record (as such term is defined in Section 9-102(a)(70) of the New York Uniform Commercial Code) as provided in Section 9.04(b)(ii)(C) or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Revolving Commitment pursuant to the terms hereof, as applicable.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to Section 8.03(c), including through an Approved Electronic Platform.

“Company” means Pentair Finance S.à r.l., a Luxembourg private limited liability company (*société à responsabilité limitée*), having its registered office at 26, Boulevard Royal, L-2449

“Covered Party” has the meaning assigned to it in Section 9.18.

“Credit Event” means a Borrowing, the issuance or extension of a Letter of Credit, the amendment of a Letter of Credit that increases the face amount thereof, an LC Disbursement or any of the foregoing.

“Credit Exposure” means, as to any Lender at any time, the sum of (a) such Lender’s Revolving Credit Exposure at such time, plus (b) an amount equal to the aggregate principal amount of its Term Loans outstanding at such time.

“Credit Party” means the Administrative Agent, the Issuing Banks, the Swingline Lenders or any other Lender.

“Daily Simple RFR” means, for any day (an “RFR Interest Day”), an interest rate per annum equal to, for any RFR Loan denominated in (i) Dollars, Daily Simple SOFR and (ii) euro (solely with respect to Swingline Loans denominated in euro), ESTR for the day that is five (5) RFR Business Days prior to (A) if such RFR Interest Day is an RFR Business Day, such RFR Interest Day or (B) if such RFR Interest Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Interest Day.

~~“Daily Simple SOFR” means, for any day, (a “SOFR, with the conventions for this rate (which may include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided that, if the Administrative Agent reasonably and in good faith decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable good faith discretion. Rate Day”), a rate per annum equal to SOFR for the day that is five (5) RFR Business Days prior to (i) if such SOFR Rate Day is an RFR Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Company.~~

“Debt” means, with respect to any Person at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable and accrued liabilities (including employee compensation and benefit obligations) arising in the ordinary course of business, (iv) the outstanding principal obligations of such Person as lessee under capital leases, (v) all Debt of others secured by a Lien on any asset of such Person, whether or not such Debt is assumed by such Person (it being understood that if such Debt has not been assumed by such Person, the amount of such Debt shall be deemed to be the lesser of the fair market value at such date of such asset and the amount of such Debt), (vi) the aggregate outstanding investment or claim held by purchasers, assignees or transferees of (or of interests in) receivables of such Person in connection with any Securitization Transaction, (vii) all non-contingent reimbursement obligations of such Person under letters of credit and bank guarantees, and (viii) all Debt (as defined above) of others Guaranteed by such Person. Notwithstanding the foregoing, Debt shall exclude (a) any customary purchase price adjustments, earnouts, holdbacks and deferred payments of a similar nature in connection with a Permitted Acquisition (including deferred compensation representing consideration or other contingent obligations incurred in connection with a Permitted Acquisition), (b) any obligations in respect of customer advances in the ordinary course of business consistent with past practices, (c) defeased, discharged and/or redeemed indebtedness so long as (1) neither the Parent nor any Subsidiary has any liability (contingent or otherwise) with respect to such indebtedness and (2) the cash, securities and/or other assets used to defease, discharge and/or redeem such indebtedness are not, directly or indirectly,

an asset of the Parent or any Subsidiary and (d) interest, fees, make-whole amounts, premiums, charges or expenses, if any, relating to the principal amount of Debt. In the event any of the foregoing Debt is limited to recourse against a particular asset or assets of such Person, the amount of the corresponding Debt shall be equal to the lesser of the amount of such Debt and the fair market value of such asset or assets, as determined by the Company in good faith, at the date for determination of the amount of such Debt. For the avoidance of doubt, the amount of Debt of any Person at any date will be calculated without duplication of any Guarantee in respect thereof.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means any Lender that (a) has failed, within three (3) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Company or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by the Company or the Administrative Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit and Swingline Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (i) a Bankruptcy Event and/or (ii) a Bail-In Action.

“Departing Lender” means each lender under the Existing Credit Agreement that executes and delivers to the Administrative Agent a Departing Lender Signature Page.

“Departing Lender Signature Page” means the signature page to this Agreement on which it is indicated that the Departing Lender executing the same shall cease to be a party to the Existing Credit Agreement on the Effective Date.

~~“Designated Borrower” means, unless otherwise specified by the Administrative Agent to the Company and the Lenders, any Affiliate Borrower that is organized under the laws of Luxembourg or any other jurisdiction designated from time to time by the Administrative Agent due to operational limitations relating to the ability to fund ABR Loans to such Affiliate Borrower.~~

~~“Designated Loan” means a Designated Revolving Loan, a Designated Swingline Loan or a Designated Term Loan, as applicable.~~

~~“Designated Revolving Loan” means a Revolving Loan denominated in Dollars to a Designated Borrower.~~

~~“Designated Swingline Loan” means a Swingline Loan denominated in Dollars to a Designated Borrower.~~

~~“Designated Term Loan” means a Term Loan denominated in Dollars to a Designated Borrower.~~

“Designated Persons” means any Person listed on a Sanctions List.

“Disqualified Institutions” means (i) those Persons identified by the Company to the Administrative Agent and the Lenders in writing prior to the Effective Date, (ii) those Persons that are reasonably determined by the Company to be competitors of the Company or any of its Subsidiaries and which have been specifically identified by the Company to the Administrative Agent and the Lenders in writing prior to the Effective Date and (iii) in the case of each of clauses (i) and (ii) (and any supplements thereto as contemplated below), any of their respective Affiliates, to the extent any such Affiliate (x) is clearly identifiable as an Affiliate of the applicable Person solely by similarity of such Affiliate’s name and (y) is not a bona fide debt investment fund that is an Affiliate of such Person; provided that, the Company, by notice to the Administrative Agent and the Lenders after the Effective Date, shall be permitted to supplement from time to time in writing by name the list of Persons that are Disqualified Institutions to the extent that the Persons added by such supplements are determined by the Company to be competitors of the Company or any of its Subsidiaries (or Affiliates of such competitors that are not bona fide debt investment funds). Each such supplement shall become effective three (3) Business Days after delivery thereof to the Administrative Agent and the Lenders (including through an Approved Electronic Platform) in accordance with Section 9.01, but which shall not apply retroactively to disqualify any Persons that have previously acquired an assignment or participation interest in the Loans (but solely with respect to such Loans). It is understood and agreed that (i) the Administrative Agent shall have no responsibility or liability to determine or monitor whether any Lender or potential Lender is a Disqualified Institution, (ii) the Company’s failure to deliver such list (or supplement thereto) in accordance with Section 9.01 shall render such list (or supplement) not received and not effective and (iii) “Disqualified Institution” shall exclude any Person that the Company has designated as no longer being a “Disqualified Institution” by written notice delivered to the Administrative Agent (which notice may be distributed to the Lenders) from time to time in accordance with Section 9.01.

“Disregarded Entity” means an entity that, pursuant to Treas. Reg. § 301.7701-2(c)(2), is disregarded for U.S. federal income Tax purposes as an entity separate from its owner.

“Documentation Agent” means each of PNC Bank, National Association, Wells Fargo Bank, National Association, Bank of Montreal, London Branch and Banco Bilbao Vizcaya Argentaria, S.A. New York Branch in its capacity as documentation agent for the credit facilities evidenced by this Agreement.

“Dollar Amount” of any amount of any currency means, at the time of determination thereof, (a) if such amount is expressed in Dollars, such amount, (b) if such amount is expressed in a Foreign Currency, the equivalent of such amount in Dollars determined by using the rate of exchange for the purchase of Dollars with such Foreign Currency last provided (either by publication or otherwise provided to the Administrative Agent) by the applicable Reuters source on the Business Day (New York City time) immediately preceding the date of determination or if such service ceases to be available or ceases to provide a rate of exchange for the purchase of Dollars with such Foreign Currency, as provided by such other publicly available information service which provides that rate of exchange at such time in place of Reuters chosen by the Administrative Agent in its reasonable discretion (or if such service ceases to be available or ceases to provide such rate of exchange, the equivalent of such amount in Dollars as reasonably determined by the Administrative Agent, in consultation with the Company, using any reasonable method of determination it deems reasonably appropriate) and (c) if such amount is denominated in any other currency, the equivalent of such

amount in Dollars as reasonably determined by the Administrative Agent, in consultation with the Company, using any reasonable method of determination it deems reasonably appropriate.

“Dollars” or “\$” refers to lawful money of the United States of America.

“Domestic Subsidiary” means each Subsidiary of the Parent other than a Foreign Subsidiary.

“DQ List” has the meaning specified in Section 9.04(e)(iv) hereof.

**~~“Early Opt-in Election” means, if the then current Benchmark with respect to Dollars is the LIBO Rate, the occurrence of:~~**

**~~(1) a notification by the Administrative Agent to (or the request by the Company to the Administrative Agent to notify) each of the other parties hereto that at least five currently outstanding Dollar-denominated syndicated credit facilities in the United States at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate, and~~**

**~~(2) the joint election by the Administrative Agent and the Company to trigger a fallback from the LIBO Rate and the provision, as applicable, by the Administrative Agent of written notice of such election to the Company and the Lenders.~~**

“EBITDA” means, for any period, the sum of the consolidated net income of the Parent for such period excluding the effect of (a) any non-cash gains (including any non-cash gains arising from the adoption of mark-to-market accounting with respect to pension or other retirement benefit plans); (b) any non-cash losses, charges and expenses (including any non-cash loss, charge or expense arising from the adoption of mark-to-market accounting with respect to pension or other retirement benefit plans); (c) any earnings from discontinued operations (but if such operations are classified as discontinued due to the fact that they are subject to an agreement to dispose of such operations, such earnings shall be excluded in the calculation of EBITDA (i) only when and to the extent such operations are actually disposed of and (ii) if the sales revenue generated by the applicable entity or business unit in the twelve (12) months prior to such disposition was \$25,000,000 or more); (d) fees, costs, expenses, premiums, make-whole or penalty payments, other similar items and, in the case of clause (v) below, awards, settlement payments and similar amounts, in each case, incurred after the Effective Date arising out of (i) Permitted Acquisitions, (ii) investments and dispositions not prohibited by this Agreement, (iii) any incurrence, issuance, repayment or refinancing of Debt permitted by this Agreement, (iv) any issuance or redemption of Equity Interests and (v) litigation, arbitration and/or other resolutions of legal disputes (provided that the aggregate amount permitted to be added back pursuant to this clause (d)(v) shall not exceed \$25,000,000 during such period); (e) any losses, charges, costs and expenses from discontinued operations plus, to the extent deducted in determining such consolidated net income, but without duplication, Interest Expense, taxes on or measured by income, depreciation, amortization, non-cash stock-based compensation expenses; (f) any losses, charges, costs and expenses from restructurings, casualty and condemnation events, takings under power of eminent domain and similar events (not to exceed 10% of EBITDA for such period); (g) any unusual or non-recurring losses, charges, costs and expenses to the extent deducted in the calculation of consolidated net income (together with the amount added back pursuant to clause (h) below, not to exceed 10% of EBITDA); and (h) any cost-savings and cost synergies resulting from a Permitted Acquisition projected in good faith by the Parent to be realized within 18 months of such acquisition (together with the amounts in clause (g) above, not to exceed 10% of EBITDA).

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Parent within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ESTR” means, with respect to any Business Day, a rate per annum equal to the Euro Short Term Rate for such Business Day published by the ESTR Administrator on the ESTR Administrator’s Website.

“ESTR Administrator” means the European Central Bank (or any successor administrator of the Euro Short Term Rate).

“ESTR Administrator’s Website” means the European Central Bank’s website, currently at <http://www.ecb.europa.eu>, or any successor source for the Euro Short Term Rate identified as such by the ESTR Administrator from time to time.

“EU” means the European Union.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

~~“EURIBO Interpolated Rate” means, at any time, with respect to any Eurocurrency Borrowing denominated in euro and for any Interest Period, the rate per annum determined reasonably and in good faith by the Administrative Agent (which determination shall be conclusive and binding absent demonstrable error) to be equal to the rate that results from interpolating on a linear basis between: (a) the EURIBO Screen Rate for the longest period (for which the EURIBO Screen Rate is available for euro) that is shorter than the Impacted EURIBO Rate Interest Period; and (b) the EURIBO Screen Rate for the shortest period (for which the EURIBO Screen Rate is available for euro) that exceeds the Impacted EURIBO Rate Interest Period, in each case, at such time; provided that, if any EURIBO Interpolated Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.~~

“EURIBO Rate” means, with respect to any **Eurocurrency Term Benchmark** Borrowing denominated in euro and for any Interest Period, the EURIBO Screen Rate **at approximately 11:00 a.m., Brussels time, two (2) TARGET Days prior to the commencement of such Interest Period; provided that, if the EURIBO Screen Rate shall not be available at such time for such Interest Period (an “Impacted EURIBO Rate Interest Period”) with respect to euro then the EURIBO Rate shall be the EURIBO Interpolated Rate.**

~~“EURIBO Screen Rate” means, for any day and time, with respect to any Eurocurrency Borrowing denominated in euro and for any Interest Period, the euro interbank offered rate administered by the European Money Markets Institute (or any other person which takes over the administration of such that rate) for euro for the relevant period displayed (before any correction, recalculation or republication by the administrator) on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters **as published at approximately 11:00 a.m. Brussels time two TARGET Days prior to the commencement of such Interest Period.** If such page or service ceases to be available, the Administrative Agent may specify another page or service displaying the relevant rate after consultation with the Company. ~~—If the EURIBO Screen Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.~~~~

~~“EURIBOR” has the meaning assigned to such term in Section 1.05.~~

“euro” and/or “EUR” means the single currency of the Participating Member States.

~~“Eurocurrency”, when used in reference to a currency means an Agreed Currency and when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted LIBO Rate or the Adjusted EURIBO Rate (other than when used with reference to any Eurocurrency Swingline Loan, in which case “Eurocurrency” means that such Loan bears interest at a rate determined by reference to the Eurocurrency Swingline Rate) except pursuant to clause (c) of the definition of “Alternate Base Rate”.~~

~~“Eurocurrency Payment Office” of the Administrative Agent shall mean, for each of the Agreed Currencies which is a Foreign Currency and each Designated Loan, the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency or Designated Loan, as applicable, as specified from time to time by the Administrative Agent to the Company and each Lender.~~

~~“Eurocurrency Swingline Loan” means a Swingline Loan bearing interest at the Eurocurrency Swingline Rate (including, for the avoidance of doubt, a Designated Swingline Loan).~~

~~“Eurocurrency Swingline Rate” means the sum of (i) the percentage rate per annum which is equal to the rate (rounded upwards to six decimal places) at which overnight deposits in the relevant currency in an amount approximately equal to the amount with respect to which such rate is being determined would be offered by the Swingline Lender as of 11:00 a.m. Local Time on the day of the proposed Eurocurrency Swingline Loan in the London interbank market for such currency to major banks in such market (provided that, if such rate shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement) plus (ii) the Applicable Rate for Eurocurrency Borrowings.~~

“Event of Default” has the meaning assigned to such term in Article VII; provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition has been satisfied.

“Excluded Swap Obligation” means, with respect to any Loan Party, any Specified Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Loan Party of, or the grant by such Loan Party of a security interest to secure, such Specified Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) (a) by virtue of such Loan Party’s failure for any reason to constitute an ECP at the time the Guarantee of such Loan Party or the grant of such security interest becomes or would become effective with respect to such Specified Swap Obligation or (b) in the case of a Specified Swap Obligation subject to a clearing requirement pursuant to Section 2(h) of the Commodity Exchange Act (or any successor provision thereto), because such Loan Party is a “financial entity,” as defined in Section 2(h)(7)(C)(i) of the Commodity Exchange Act (or any successor provision thereto), at the time the Guarantee of such Loan Party or the grant of such security interest becomes or would become effective with respect to such related Specified Swap Obligation. If a Specified Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Specified Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Borrower or any guarantor under any Loan Document, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed by the jurisdiction under the laws of which such recipient is organized or in which it has a principal

office or, in the case of any Lender, in which its applicable lending office is located or (ii) that are Other Connection Taxes, (b) in the case of a Lender, any U.S. federal withholding Tax that is imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Letter of Credit or Commitment pursuant to a law in effect on the date on which (i) such Lender becomes a party to this Agreement (other than pursuant to an assignment request by the Company or any other Borrower under [Section 2.19\(b\)](#)) or (ii) such Lender designates a new lending office, except in each case to the extent that such Lender (or its assignor, if any) was entitled, immediately before the designation of a new lending office (or an assignment), to receive additional amounts pursuant to [Section 2.17\(a\)](#), (c) Taxes attributable to such recipient's failure to comply with [Section 2.17\(e\)](#), (d) any withholding Tax that is imposed under FATCA and (e) any Luxembourg registration duties (*droits d'enregistrement*) payable in the case of a voluntary registration of any Loan Documents by the Lenders with the *Administration de l'Enregistrement et des Domaines* in Luxembourg, when such registration is not required to enforce their rights under the Loan Documents.

"[Existing Credit Agreement](#)" is defined in the recitals hereof.

"[Existing Loans](#)" has the meaning assigned to such term in [Section 1.10](#).

"[Existing Swiss Guarantor](#)" means Pentair Investments Switzerland GmbH, a Swiss limited liability company (Gesellschaft mit beschränkter Haftung), with company number CHE-188.406.956 and its registered address at Freier Platz 10, 8200 Schaffhausen, Switzerland.

"[Existing Term Loans](#)" has the meaning assigned to such term in [Section 2.01](#).

"[Extended Maturity Date](#)" has the meaning assigned to such term in [Section 2.25\(a\)](#).

"[Extending Lender](#)" has the meaning assigned to such term in [Section 2.25\(b\)](#).

"[Extension Availability Period](#)" means the period beginning on the Effective Date and ending on the five year anniversary thereof.

"[Extension Date](#)" has the meaning assigned to such term in [Section 2.25\(a\)](#).

"[Facility Office](#)" means the office or offices through which a Lender will perform its obligations under this Agreement.

"[FATCA](#)" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code, and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"[FATCA Deduction](#)" means a deduction or withholding from a payment under a Loan Document required by FATCA.

**[FCA](#) has the meaning assigned to such term in [Section 1.05](#).**

"[Federal Funds Effective Rate](#)" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as shall be set forth on the NYFRB's Website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Financial Officer” means (i) with respect to the Company, a Manager of the Company; and (ii) with respect to the Parent, the Chief Financial Officer, the Chief Accounting Officer or the Treasurer of the Parent.

“Fitch” means Fitch Ratings, Inc.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to the ~~LIBO Rate or the EURIBO~~Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, the Adjusted Daily Simple RFR, or the Central Bank Rate, as applicable. ~~As of For the Effective Date, the Floor is~~avoidance of doubt, the initial Floor for each of the Adjusted Term SOFR Rate, the Adjusted EURIBO Rate, the Adjusted Daily Simple RFR or the Central Bank Rate shall be 0%.

“Foreign Currencies” means each Agreed Currency other than Dollars.

“Foreign Currency LC Exposure” means, at any time, the sum of (a) the Dollar Amount of the aggregate undrawn, available and unexpired amount of all outstanding Foreign Currency Letters of Credit at such time plus (b) the aggregate principal Dollar Amount of all LC Disbursements in respect of Foreign Currency Letters of Credit that have not yet been reimbursed at such time.

“Foreign Currency Letter of Credit” means a Letter of Credit denominated in a Foreign Currency.

“Foreign Currency Payment Office” of the Administrative Agent shall mean, for each Foreign Currency, the office, branch, affiliate or correspondent bank of the Administrative Agent for such currency as specified from time to time by the Administrative Agent to the Company and each Lender.

“Foreign Currency Sublimit” means \$300,000,000.

“Foreign Lender” means a Lender that is neither a U.S. Person nor a Disregarded Entity that is treated for U.S. federal income Tax purposes as having as its sole owner a Person that is a U.S. Person.

“Foreign Subsidiary” means, with respect to any Person, each Subsidiary of such Person that is incorporated or organized under the laws of a jurisdiction located outside of the United States or any state thereof.

“GAAP” means generally accepted accounting principles as from time to time in effect in the United States of America.

“Governmental Authority” means any federal, state, municipal, national or other governmental department, commission, board, bureau, court, agency, ministry or instrumentality or political subdivision thereof or any entity, officer, minister or other Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court (including any supra-national bodies such as the European Union or the European Central Bank) and any group or body charged with setting financial accounting or regulatory capital rules or standards (including the Financial Accounting Standards Board, the Bank for International Settlements or the Basel Committee on Banking Supervision or any successor or similar authority to any of the foregoing).

“Guarantee” means, with respect to any Person, any obligation of such Person, contingent or otherwise, directly or indirectly guaranteeing any Debt of any other Person or in any manner providing for the payment of any Debt of any other Person or otherwise protecting the holder of such

Debt against loss (whether by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay or otherwise); provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a correlative meaning. It is understood that the amount of any Guarantee of or by any Person shall be deemed to be the lower of (a) the amount of Debt in respect of which such Guarantee exists and (b) the maximum amount for which such Person may be liable pursuant to the instrument embodying such Guarantee. For the avoidance of doubt, in the event any Guarantee is limited to recourse against a particular asset or assets of such Person, the amount of such Guarantee shall be equal to the lesser of the amount of such Guarantee and the fair market value of such asset or assets, as determined by such Person in good faith, at the date for determination of the amount of such Guarantee.

“Guarantor” means the Parent.

“Hazardous Materials” means (a) petroleum and petroleum products, byproducts or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

“Hedging Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Parent or the Subsidiaries shall be a Hedging Agreement.

~~“Impacted EURIBO Rate Interest Period” has the meaning assigned to such term in the definition of “EURIBO Rate”.~~

~~“Impacted LIBO Rate Interest Period” has the meaning assigned to such term in the definition of “LIBO Rate”.~~

“Increasing Lender” has the meaning assigned to such term in Section 2.20.

“Incremental Term Loan” has the meaning assigned to such term in Section 2.20.

“Incremental Term Loan Amendment” has the meaning assigned to such term in Section 2.20.

“Indemnified Taxes” means (a) Taxes other than Excluded Taxes imposed on or with respect to any payment made by any Loan Party under any Loan Document and (b) Other Taxes.

“Indemnitee” has the meaning assigned to such term in Section 9.03(b).

“Ineligible Institution” has the meaning assigned to such term in Section 9.04(b).

“Information” has the meaning assigned to such term in Section 9.12.

“Initial Affiliate Borrower” means Pentair, Inc., a Minnesota corporation.

“Insolvency Regulation” shall mean the Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast).

“Interest Coverage Ratio” means, for any period, the ratio of (i) EBITDA for such period to (ii) Interest Expense (excluding any Interest Expense in respect of intercompany Debt), to the extent paid in cash, for such period.

“Interest Expense” means, for any period, the sum, without duplication, of consolidated interest expense of the Parent and its Subsidiaries for such period (including, in each case to the extent included in interest expense on the Parent’s consolidated income statement, the interest component of capital leases, the interest component of Synthetic Lease Obligations, facility, commitment and usage fees, and fees for standby letters of credit), plus consolidated yield or discount accrued, during such period on the aggregate outstanding investment or claim held by purchasers, assignees or other transferees of (or of interests in) receivables of the Parent and its Subsidiaries in connection with any Securitization Transaction (regardless of the accounting treatment of such Securitization Transaction), plus net payments (if any) pursuant to Hedging Agreements, minus the sum (without duplication) of (a) annual administrative agent fees, (b) costs associated with obtaining swap agreements and any interest expense attributable to the movement of the mark-to-market valuation of obligations under swap agreements or other derivative instruments and any one-time costs associated with breakage in respect of swap agreements for interest rates, (c) costs associated with the issuance or incurrence of debt, including amortization and write-off of deferred and other financing fees, debt issuance costs, commissions, fees and expenses and original issue discount, (d) PIK interest, (e) any non-cash expense in respect of any interest component relating to accretion or accrual of discounted liabilities and (f) net receipts (if any) pursuant to Hedging Agreements.

“Interest Election Request” means a request by the applicable Borrower to convert or continue a Borrowing in accordance with Section 2.08 in substantially the form attached hereto as Exhibit G-2 or such other form as the Administrative Agent may approve from time to time.

“Interest Payment Date” means (a) with respect to any ABR Loan (other than a Swingline Loan), the last day of each March, June, September and December and the applicable Maturity Date, (b) with respect to any ~~Eurocurrency Loan (including a Eurocurrency Swingline Loan)~~ RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such RFR Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month) and the Maturity Date, (c) with respect to any Term Benchmark Loan, the last day of ~~the~~each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a ~~Eurocurrency~~Term Benchmark Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period and the applicable Maturity Date, and ~~(ed)~~ with respect to any Swingline Loan ~~(other than a Eurocurrency Swingline Loan)~~, the day that such Loan is required to be repaid and the applicable Maturity Date.

“Interest Period” means ~~(a)~~ with respect to any ~~Eurocurrency~~Term Benchmark Borrowing ~~(other than a Eurocurrency Swingline Loan), the, the~~ period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (or such other period of time as is acceptable to each of the Lenders) (in each case, subject to the availability for the Benchmark applicable to the relevant Loan or Commitment for any Agreed Currency), as the applicable Borrower (or the Company on behalf of the applicable Borrower) may elect ~~and (b) with respect to any Eurocurrency Swingline Loan, the period commencing on the date of such Loan and ending on the date one week thereafter;~~ provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, ~~in the case of a Eurocurrency Borrowing (other than a Eurocurrency Swingline Loan) only,~~ such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period ~~pertaining to a Eurocurrency Borrowing (other than a Eurocurrency Swingline Loan)~~ that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest

Period) shall end on the last Business Day of the last calendar month of such Interest Period and (iii) no tenor that has been removed from this definition pursuant to Section 2.14(fe) shall be available for specification in subany Borrowing Request or Interest Election Request. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter, other than for purposes of Section 4.02, shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Ireland” means Ireland, exclusive of Northern Ireland.

“Irish Borrower” means any Affiliate Borrower resident for tax purposes in Ireland.

“Irish Companies Act” means the Companies Act 2014 of Ireland.

“Irish Guarantor” means the Parent.

“Irish Loan Party” means any Irish Borrower or any Irish Guarantor or any Affiliate Borrower incorporated in Ireland.

“Irish Qualifying Lender” means a Lender which is beneficially entitled to interest payable to it in respect of an advance under this Agreement, and is:

(a) a bank within the meaning of Section 246 of the Irish TCA which is carrying on a bona fide banking business in Ireland for the purposes of Section 246(3)(a) of the Irish TCA and whose Facility Office is located in Ireland; or

(b)

(i) a company (within the meaning of Section 246 of the Irish TCA) which by virtue of the laws of a Relevant Territory is resident in that Relevant Territory for the purposes of tax and that Relevant Territory imposes a tax that generally applies to interest receivable in that Relevant Territory by companies from sources outside that Relevant Territory; or

(ii) a company (within the meaning of Section 246 of the Irish TCA) in receipt of interest under this Agreement which:

(A) is exempted from the charge to Irish income tax under an Irish Treaty between Ireland and the country in which the Lender is resident for tax purposes having the force of law under the procedures set out in section 826(1) of the Irish TCA; or

(B) would be exempted from the charge to Irish income tax under an Irish Treaty between Ireland and the country in which the Lender is resident for tax purposes entered into on or before the payment date of that interest if that Irish Treaty had the force of law under the procedures set out in section 826(1) of the Irish TCA at that date; or

(iii) a U.S. company that is incorporated in the U.S. and taxed in the U.S. on its worldwide income; or

(iv) a U.S. limited liability company (“LLC”), provided the ultimate recipients of the interest would be Irish Qualifying Lenders within paragraph (i), (ii) or (iii) of this definition and the business conducted through the LLC is so structured for market reasons and not for tax avoidance purposes;

“Knowledge” means the actual knowledge of a Responsible Officer, without giving effect to imputed or constructive knowledge or giving rise to any duty to investigate.

“LC Disbursement” means a payment made by an Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn Dollar Amount of all outstanding Letters of Credit at such time which are then available plus (b) the aggregate Dollar Amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Company at such time. The LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Article 29(a) of the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time) or Rule 3.13 or Rule 3.14 of the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time) or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be “outstanding” and “undrawn” in the amount so remaining available to be paid, and the obligations of the Company and each Lender shall remain in full force and effect until the relevant Issuing Bank and the Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit.

“Lender Notice Date” has the meaning assigned to such term in Section 2.25(b).

“Lender Parent” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Lender-Related Person” has the meaning assigned to such term in Section 9.03(d).

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a Lender hereunder pursuant to Section 2.20 or pursuant to an Assignment and Assumption or other documentation contemplated hereby, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption or other documentation contemplated hereby. Unless the context otherwise requires, the term “Lenders” includes the Swingline Lenders and the Issuing Banks. For the avoidance of doubt, the term “Lenders” excludes the Departing Lender.

“Letter of Credit” means any standby or commercial letter of credit issued pursuant to this Agreement.

“Letter of Credit Agreement” has the meaning assigned to such term in Section 2.06(b).

“Liabilities” means any losses, claims, damages or liabilities.

~~“LIBO Interpolated Rate” means, at any time, with respect to any Eurocurrency Borrowing denominated in Dollars and for any Interest Period, the rate per annum determined by the Administrative Agent (which determination shall be conclusive and binding absent demonstrable error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate for the longest period (for which the LIBO Screen Rate is available for Dollars) that is shorter than the Impacted LIBO Rate Interest Period; and (b) the LIBO Screen Rate for the shortest period (for which the LIBO Screen Rate is available for Dollars) that exceeds the Impacted LIBO Rate Interest Period, in each case, at such time; provided that if any LIBO Interpolated Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.~~

~~“LIBO Rate” means, with respect to any Eurocurrency Borrowing denominated in Dollars and for any Interest Period, the LIBO Screen Rate at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period (or, in the case of a Swingline Borrowing, on the date of commencement of such Interest Period); provided that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “Impacted LIBO Rate Interest Period”) with respect to Dollars then the LIBO Rate shall be the LIBO Interpolated Rate.~~

~~“LIBO Screen Rate” means, for any day and time, with respect to any Eurocurrency Borrowing denominated in Dollars and for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for Dollars for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion); provided that if the LIBO Screen Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.~~

~~“LIBOR” has the meaning assigned to such term in Section 1.05.~~

“Lien” means any interest in property securing any obligation owed to, or a claim by, a Person other than the owner of the property, whether such interest is based on the common law, statute, regulation, decree or contract, including (a) any lien or security interest arising from any mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt or consignment or bailment for security purposes and (b) the interest of a person under a capital lease (but excluding the interest of a lessor under an operating lease).

“Liquidity” means, at any time, the amount of unrestricted and unencumbered cash and cash equivalent investments of the Parent and its Subsidiaries at such time that is not subject to any Lien other than Liens permitted under Section 6.03 that is in excess of \$5,000,000 but in no event to exceed \$250,000,000.

“Limited Conditionality Acquisition” has the meaning assigned to such term in Section 2.20.

“Limited Conditionality Acquisition Agreement” has the meaning assigned to such term in Section 2.20.

“Loan Documents” means this Agreement, each Affiliate Borrowing Agreement, each Affiliate Borrowing Termination, each Letter of Credit Agreement, any promissory notes executed and delivered pursuant to Section 2.10(d), each Borrowing Request and any and all other instruments and documents executed and delivered in connection with any of the foregoing.

“Loan Party” means the Parent, the Company and each Affiliate Borrower.

“Loans” means the loans made by the Lenders to the Borrowers pursuant to this Agreement, it being understood that conversions and continuations of Loans are not Loans hereunder.

“Local Time” means (i) Chicago time in the case of a Loan, Borrowing or LC Disbursement denominated in Dollars (~~other than Designated Loans~~) and (ii) local time in the case of a Loan, Borrowing or LC Disbursement denominated in a Foreign Currency ~~and Designated Loans~~ (it being understood that such local time shall mean (a) London, England time with respect to any Foreign Currency (other than euro) and ~~Designated Loans and~~ (b) Brussels, Belgium time with respect to

“Net Leverage Ratio” means, as of the last day of any period of four consecutive fiscal quarters, the ratio of (a) (i) the sum (without duplication) of the outstanding principal amount of all Debt (excluding, without duplication, Synthetic Lease Obligations) of the Parent and its Consolidated Subsidiaries determined on a consolidated basis as of such date, minus (ii) Liquidity as of such date, to (b) EBITDA for the period of four consecutive fiscal quarters then ended; provided that for purposes of calculating EBITDA pursuant to this clause (b), the consolidated net income of any Person or business unit acquired (or divested or liquidated, if the sales revenue generated by such Person or business unit in the 12 months prior to such divestiture or liquidation was \$25,000,000 or more) by the Parent or any Subsidiary during such period (plus, to the extent deducted in determining such consolidated net income, Interest Expense, income tax expense, depreciation and amortization and non-cash compensation expenses of such Person or business unit) shall be included (or, in the case of a divestiture or liquidation, excluded) on a pro forma basis for such period (assuming the consummation of each such acquisition and the incurrence or assumption of any Debt in connection therewith (or the consummation of such divestiture or liquidation) occurred on the first day of such period) in accordance with Article 11 of Regulation S-X of the SEC; provided, further, that, at any time after the definitive agreement for any Material Acquisition shall have been executed (or, in the case of a Material Acquisition in the form of a tender offer or similar transaction, after the offer shall have been launched) and prior to the consummation of such Material Acquisition (or termination of the definitive documentation in respect thereof (or such later date as such indebtedness ceases to constitute Acquisition Debt as set forth in the definition of “Acquisition Debt”)), any Acquisition Debt (and the proceeds of such Debt) shall be excluded from the determination of the Net Leverage Ratio.

“New Money Credit Event” means with respect to any Issuing Bank, any increase (directly or indirectly) in such Issuing Bank’s exposure (whether by way of additional credit or banking facilities or otherwise, including as part of a restructuring) to any Borrower occurring by reason of (i) any law, action or requirement of any Governmental Authority in such Borrower’s or such Letter of Credit beneficiary’s country, or (ii) any agreement in relation to clause (i), in each case to the extent calculated by reference to the aggregate Revolving Credit Exposures outstanding prior to such increase.

“Non-Consenting Lender” has the meaning assigned to such term in Section 9.02(c).

“Non-Extending Lender” has the meaning assigned to such term in Section 2.25(b).

“Note” means a note substantially in the form of Exhibit D-1 or D-2 hereto, as applicable, evidencing the Loans of the applicable Class made by any applicable Lender to each applicable Borrower.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if both such rates are not so published for any day that is a Business Day, the term “NYFRB Rate” means the rate quoted for such day for a federal funds transaction at 11:00 a.m., New York City time, on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it; provided, further, that if any of the aforesaid rates as so determined would be less than ~~zero~~0%, such rate shall be deemed to be ~~zero~~0% for purposes of this Agreement.

“NYFRB’s Website” means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

“Obligations” means all indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, examinership, receivership or other similar proceeding,

regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any of the Parent and its Subsidiaries to any of the Lenders, any of the Issuing Banks, any indemnified party and the Administrative Agent, individually or collectively, under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or reimbursement obligations incurred or any of the Letters of Credit or other instruments at any time evidencing any thereof.

“OFAC” means the Office of Foreign Assets Control of the U.S. Department of Treasury.

“Organizational Documents” means, (a) with respect to any corporation or unlimited liability company, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

~~“Other Benchmark Rate Election” means, if the then-current Benchmark is the LIBO Rate, the occurrence of:~~

~~(1) a request by the Company to the Administrative Agent to notify each of the other parties hereto that, at the determination of the Company, Dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed), in lieu of a LIBOR-based rate, a term benchmark rate as a benchmark rate, and~~

~~(2) the joint election by the Administrative Agent and the Company to trigger a fallback from the LIBO Rate and the provision, as applicable, by the Administrative Agent of written notice of such election to the Company and the Lenders.~~

“Other Connection Taxes” means, with respect to the Administrative Agent, any Lender or any Issuing Bank, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

“Other Taxes” means any and all present or future stamp, registration or documentary Taxes or any other excise or property Taxes, charges or similar Taxes or levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document, but excluding Excluded Taxes.

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight eurodollar ~~borrowing~~transactions denominated in Dollars by U.S.-managed banking offices of depository institutions (as such composite rate shall be determined by the NYFRB as set forth on the NYFRB’s Website from time to time) and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Overnight Rate” means, for any day, (a) with respect to any amount denominated in Dollars, the NYFRB Rate and (b) with respect to any amount denominated in a Foreign Currency, an

unsecured debt issued by the Company (or if no such rating is then in effect with respect to such debt, then the corporate, issuer or similar rating with respect to the Parent, that has been most recently announced by S&P, Moody's or Fitch, as the case may be), or, if any such rating agency shall have issued more than one such rating, the lowest such rating issued by such rating agency.

"Public Filings" means any 10-K, 10-Q or 8-K, S-1 or S-4 filed by the Parent, in each case with the SEC after December 31, 2017 and on or before the Effective Date.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"QFC Credit Support" has the meaning assigned to it in Section 9.18.

"Reference Time" with respect to any setting of the then-current Benchmark means (i) if such Benchmark is the LIBO Term SOFR Rate, 11:00 a.m., London 5:00 a.m., Chicago time, on the day that is two (2) London banking days U.S. Government Securities Business Days preceding the date of such setting, (ii) if such Benchmark is the EURIBO Rate, 11:00 a.m., Brussels time, two (2) TARGET Days preceding the date of such setting ~~or~~, (iii) if the RFR for such Benchmark is Daily Simple SOFR, then four (4) RFR Business Days prior to such setting or (iv) if such Benchmark is ~~neither none of the LIBO Term SOFR Rate nor, Daily Simple SOFR~~, the EURIBO Rate, the time determined by the Administrative Agent in its reasonable good faith discretion.

"Register" has the meaning set forth in Section 9.04(b).

"Related Indemnified Person" has the meaning assigned to it in Section 9.03(b).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means (i) with respect to a Benchmark Replacement in respect of Loans denominated in Dollars, the Board and/or the NYFRB, or a committee officially endorsed or convened by the Board and/or the NYFRB or, in each case, any successor thereto, (ii) with respect to a Benchmark Replacement in respect of Loans denominated in Euro, euro, the European Central Bank, or a committee officially endorsed or convened by the European Central Bank or, in each case, any successor thereto or (iii) with respect to a Benchmark Replacement in respect of Loans denominated in any other currency, (a) the central bank for the currency in which such Benchmark Replacement is denominated or any central bank or other supervisor which is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement or (b) any working group or committee officially endorsed or convened by (1) the central bank for the currency in which such Benchmark Replacement is denominated, (2) any central bank or other supervisor that is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement, (3) a group of those central banks or other supervisors or (4) the Financial Stability Board or any part thereof.

"Relevant Rate" means (i) with respect to any Eurocurrency Term Benchmark Borrowing denominated in Dollars, the ~~LIBO Rate or~~ Adjusted Term SOFR Rate, (ii) with respect to any Eurocurrency Term Benchmark Borrowing denominated in Euro, euro, the Adjusted EURIBO Rate or (iii) with respect to any RFR Borrowing denominated in or Dollars, the applicable Adjusted Daily Simple RFR, as applicable.

"Relevant Screen Rate" means (i) with respect to any Eurocurrency Term Benchmark Borrowing denominated in Dollars, the ~~LIBO Screen~~ Term SOFR Reference Rate or (ii) with

respect to any **Eurocurrency Term Benchmark** Borrowing denominated in **Euroeuro**, the EURIBO Screen Rate, ~~as applicable~~.

“Relevant Territory” means:

- (a) a member state of the European Communities (other than Ireland); or
- (b) to the extent not a member state of the European Communities, a jurisdiction with which Ireland has entered into a double taxation treaty that either has the force of law by virtue of Section 826(1) of the Irish TCA or which will have the force of law on completion of the procedures set out in Section 826(1) of the Irish TCA.

“Replacement Lender” has the meaning assigned to such term in Section 2.09(c).

“Required Lenders” means, subject to Section 2.24, (a) at any time prior to the earlier of the Loans becoming due and payable pursuant to Article VII or the Revolving Commitments terminating or expiring, Lenders having Credit Exposures and Unfunded Commitments representing more than 50% of the sum of the total Credit Exposures and Unfunded Commitments at such time; provided that, solely for purposes of declaring the Loans to be due and payable pursuant to Article VII, the Unfunded Revolving Commitment of each Revolving Lender shall be deemed to be zero; and (b) for all purposes after the Loans become due and payable pursuant to Article VII or the Revolving Commitments expire or terminate, Lenders having Credit Exposures representing more than 50% of the sum of the total Credit Exposures; provided that, in the case of clauses (a) and (b) above, (x) the Revolving Credit Exposure of any Revolving Lender that is a Swingline Lender shall be deemed to exclude any amount of its Swingline Exposure in excess of its Applicable Percentage of all outstanding Swingline Loans, adjusted to give effect to any reallocation under Section 2.24 of the Swingline Exposures of Defaulting Lenders in effect at such time, and the Unused Revolving Commitment of such Lender shall be determined on the basis of its Revolving Credit Exposure excluding such excess amount and (y) for the purpose of determining the Required Lenders needed for any waiver, amendment, modification or consent of or under this Agreement or any other Loan Document, any Lender that is the Parent or an Affiliate of the Parent shall be disregarded.

“Required Revolving Lenders” means, subject to Section 2.24, at any time, Revolving Lenders having Revolving Credit Exposures and unused Revolving Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Revolving Commitments at such time; provided that for all purposes after the Loans become due and payable pursuant to Article VII or the Revolving Commitments expire or terminate, then, as to each Revolving Lender, clause (a) of the definition of Swingline Exposure shall only be applicable for purposes of determining its Revolving Credit Exposure to the extent such Lender shall have funded its participation in the outstanding Swingline Loans.

“Required Term Lenders” means, subject to Section 2.24, at any time, Term Lenders having Term Loans and unused Term Loan Commitments representing more than 50% of the sum of the total outstanding principal amount of Term Loans and unused Term Loan Commitments at such time.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means (i) with respect to the Company, a Manager of the Company; (ii) with respect to the Parent, the Chief Executive Officer, the Chief Financial Officer, the Chief Accounting Officer or the Treasurer of the Parent; and (iii) with respect to any other Loan Party, a manager, a director, the chief executive officer, the chief operating officer, the president, any vice president (if appointed by the board of directors or similar governing body of such Loan Party), the

chief financial officer, the treasurer or any assistant treasurer of such Loan Party, or any other officer having substantially the same authority and responsibility.

“Retired Commitments” has the meaning assigned to such term in Section 2.09(c).

“Reuters” means Thomson Reuters Corp., Refinitiv or any successor thereto.

“Revolving Commitment” means, with respect to each Lender, the commitment of such Lender, if any, to make Revolving Loans and to acquire participations in Letters of Credit and Swingline Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced or terminated from time to time pursuant to Section 2.09, (b) increased from time to time pursuant to Section 2.20 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Revolving Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption or other documentation or record (as such term is defined in Section 9-102(a)(70) of the New York Uniform Commercial Code) as provided in Section 9.04(b)(ii)(C) or other documentation contemplated hereby pursuant to which such Lender shall have assumed its Revolving Commitment pursuant to the terms hereof, as applicable. The initial aggregate amount of the Revolving Lenders’ Revolving Commitments is \$900,000,000.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure and Swingline Exposure at such time.

“Revolving Credit Facility” means the revolving credit facility under this Agreement.

“Revolving Credit Maturity Date” means the five year anniversary of the Effective Date, as extended (in the case of each Revolving Lender consenting thereto) pursuant to Section 2.25; provided, however, in each case, if such date is not a Business Day, the Revolving Credit Maturity Date shall be the next preceding Business Day.

“Revolving Lender” means, as of any date of determination, each Lender that has a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Credit Exposure.

“Revolving Loan” means a Loan made by a Revolving Lender pursuant to Section 2.01(a).

“RFR” means, for any RFR Loan denominated in (a) Dollars, Daily Simple SOFR and (b) euro (but solely with respect to a Swingline Loan denominated in euro), ESTR, and when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the applicable Adjusted Daily Simple RFR.

“RFR Borrowing” means, as to any Borrowing, the RFR Loans comprising such Borrowing.

“RFR Business Day” means, for any Loan denominated in (a) Dollars, a U.S. Government Securities Business Day and (b) euro (but solely with respect to a Swingline Loan denominated in euro), any day except for (i) a Saturday, (ii) a Sunday or (iii) any day on which the TARGET2 payment system is not open for the settlement of payments in euro.

“RFR Interest Day” has the meaning specified in the definition of “Daily Simple RFR”.

**“RFR Loan” means a Loan that bears interest at a rate based on the Adjusted Daily Simple RFR.**

“S&P” means Standard & Poor’s Financial Services LLC, a subsidiary of S&P Global Inc.

“Sanctioned Country” means a country, region or territory which is at any relevant time subject to Sanctions (at the time of ~~this Agreement~~, the Amendment No. 1 Effective Date, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, the Crimea Region of Ukraine, Cuba, Iran, North Korea and Syria).

“Sanctions” means:

(a) economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the US government and administered by OFAC; and

(b) economic or financial sanctions imposed, administered or enforced from time to time by the US State Department, the US Department of Commerce, the US Department of the Treasury or other relevant sanctions authority.

“Sanctions List” means any of the lists of specifically designated nationals or designated persons or entities (or equivalent) held by the US government and administered by OFAC, the US State Department, the US Department of Commerce or the US Department of the Treasury or the United Nations Security Council or any similar list maintained by any other U.S. government entity or other relevant sanctions authority, in each case as the same may be amended, supplemented or substituted from time to time.

“SEC” means the Securities and Exchange Commission of the United States, or any Governmental Authority succeeding to any of its principal functions.

“Securitization Transaction” means any sale, assignment or other transfer by the Parent or any Subsidiary of accounts receivable, lease receivables, financial assets or other payment obligations owing to the Parent or such Subsidiary or any interest in any of the foregoing (other than sales of defaulted receivables, foreign receivables or similar items in the ordinary course of business), together in each case with any collections and other proceeds thereof, any collection or deposit accounts related thereto, and any collateral, guaranties or other property or claims in favor of the Parent or such Subsidiary supporting or securing payment by the obligor thereon of, or otherwise related to, any such receivables, financial assets or other payment obligations.

“Senior Financial Officer” means the Chief Financial Officer, the Chief Accounting Officer or the Treasurer of the Parent.

“Service of Process Agent” means (i) so long as the Initial Affiliate Borrower is a Borrower hereunder, the Initial Affiliate Borrower and (ii) to the extent the Initial Affiliate Borrower ceases to be a Borrower hereunder in accordance with the terms of Section 2.23, CT Corporation Systems, with an office on the date hereof at 111 Eighth Avenue, New York, New York 10011.

“SOFR” means, ~~with respect to any Business Day,~~ a rate ~~per annum~~ equal to the secured overnight financing rate ~~for such Business Day published as~~ administered by the SOFR Administrator ~~on the SOFR Administrator’s Website on the immediately succeeding Business Day.~~

“SOFR Administrator” means the NYFRB (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the NYFRB’s ~~website~~[Website](#), currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“SOFR Rate Day” has the meaning specified in the definition of “Daily Simple SOFR”.

“Specified Ancillary Obligations” means all obligations and liabilities (including interest and fees accruing during the pendency of any bankruptcy, insolvency, examinership, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) of any of the Subsidiaries, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, to the Lenders or any of their Affiliates under any Hedging Agreement or any Banking Services Agreement; provided that the definition of “Specified Ancillary Obligations” shall not create or include any guarantee by any Loan Party of (or grant of security interest by any Loan Party to support, as applicable) any Excluded Swap Obligations of such Loan Party for purposes of determining any obligations of any Loan Party.

“Specified Swap Obligation” means, with respect to any Loan Party, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board to which the Administrative Agent is subject with respect to the Adjusted ~~LIBO Rate or Adjusted~~ EURIBO Rate, ~~as applicable,~~ for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D of the Board) or any other reserve ratio or analogous requirement of any central banking or financial regulatory authority imposed in respect of the maintenance of the Commitments or the funding of the Loans. Such reserve percentage shall include those imposed pursuant to Regulation D. ~~Eurocurrency Loans of the Board. Term Benchmark Loans for which the associated Benchmark is adjusted by reference to the Statutory Reserve Rate (per the related definition of such Benchmark)~~ shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D of the Board or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage, and the Administrative Agent shall notify the Company promptly of any such adjustment.

“Subsidiary” of a Person means a company, corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Parent.

“Supported QFC” has the meaning assigned to such term in Section 9.18.

“Surviving Commitment” has the meaning assigned to such term in Section 2.09(c).

“Surviving Lender” has the meaning assigned to such term in Section 2.09(c).

“Swingline Exposure” means, at any time, the aggregate principal Dollar Amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall

“Syndication Agent” means (i) each of Bank of America, N.A., Citibank, N.A., MUFG Bank, Ltd. and U.S. Bank National Association in its capacity as syndication agent for the Revolving Credit Facility and (ii) U.S. Bank National Association in its capacity as syndication agent for the Term Loan Facility.

“Synthetic Lease Obligations” means obligations under operating leases (as determined pursuant to Statement of Financial Accounting Standards No. 13) of properties which are reported for United States income tax purposes as owned by the Parent or a Consolidated Subsidiary. The amount of Synthetic Lease Obligations under any such lease shall be determined in accordance with GAAP as if such operating lease were a capital lease.

“TARGET2” means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilizes a single shared platform and which was launched on November 19, 2007.

“TARGET Day” means any day on which TARGET2 (or, if such payment system ceases to be operative, such other payment system, if any, reasonably determined by the Administrative Agent to be a suitable replacement) is open for the settlement of payments in euro.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, fees, value added taxes, or any other goods and services, use or sales taxes, assessments, charges or withholdings imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

**“Term Benchmark”, when used in reference to any Loan or Borrowing, means that such Loan, or the Loans comprising such Borrowing, bears interest at a rate determined by reference to the Adjusted Term SOFR Rate (except pursuant to clause (c) of the definition of “Alternate Base Rate”) or the Adjusted EURIBO Rate.**

“Term Lender” means, as of any date of determination, each Lender having a Term Loan Commitment or that holds Term Loans.

“Term Loan Commitment” means, as to any Term Lender, such Term Lender’s Applicable Percentage of the Term Loans.

“Term Loan Facility” means the term loan facility under this Agreement.

“Term Loan Maturity Date” means the three year anniversary of the Effective Date, as extended (in the case of each Term Lender consenting thereto) pursuant to Section 2.25; provided, however, in each case, if such date is not a Business Day, the Term Loan Maturity Date shall be the next preceding Business Day.

“Term Loans” means the term loans made by the Term Lenders to the Company on December 2, 2019 pursuant to the Existing Credit Agreement. The aggregate outstanding principal amount of the Term Loans as of the Effective Date is \$200,000,000 and each Term Lender’s respective portion of the Term Loans on the Effective Date is set forth on Schedule 2.01.

~~“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.~~

~~“Term SOFR Notice” means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event. Determination Day” has the meaning assigned to it under the definition of Term SOFR Reference Rate.~~

~~“Term SOFR Transition Event” means the determination by the Administrative Agent in its reasonable, good faith discretion that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable (and, for the avoidance of doubt, not in the case of an Other Benchmark Rate Election), has previously occurred resulting in a Benchmark Replacement in accordance with Section 2.14 that is not Term SOFR Rate”~~ means, with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable Interest Period, as such rate is published by the CME Term SOFR Administrator.

“Term SOFR Reference Rate” means, for any day and time (such day, the “Term SOFR Determination Day”), with respect to any Term Benchmark Borrowing denominated in Dollars and for any tenor comparable to the applicable Interest Period, the rate per annum published by the CME Term SOFR Administrator and identified by the Administrative Agent as the forward-looking term rate based on SOFR. If by 5:00 p.m. (New York City time) on such Term SOFR Determination Day, the “Term SOFR Reference Rate” for the applicable tenor has not been published by the CME Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Rate has not occurred, then, so long as such day is otherwise a U.S. Government Securities Business Day, the Term SOFR Reference Rate for such Term SOFR Determination Day will be the Term SOFR Reference Rate as published in respect of the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the CME Term SOFR Administrator, so long as such first preceding U.S. Government Securities Business Day is not more than five (5) U.S. Government Securities Business Days prior to such Term SOFR Determination Day.

“Total Revolving Credit Exposure” means, at any time, the sum of (a) the outstanding principal amount of the Revolving Loans and Swingline Loans at such time and (b) the total LC Exposure at such time.

“Trade Date” has the meaning specified in Section 9.04(e)(i) hereof.

“Transactions” means the execution, delivery and performance by the Loan Parties of this Agreement and the other Loan Documents, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted ~~LIBO~~ Term SOFR Rate, the Adjusted EURIBO Rate ~~or~~, the Adjusted Daily Simple RFR, the Alternate Base Rate ~~or the Central Bank Rate~~.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Unfunded Commitment” means, with respect to each Revolving Lender, the Revolving Commitment of such Lender less its Revolving Credit Exposure.

“Unfunded Vested Liabilities” means, with respect to any Plan at any time, the amount (if any) by which (i) the current liability as defined in Section 412(1)(7) of the Code under such Plan exceeds (ii) the fair market value of all Plan assets allocable to such benefits, all as determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of the Parent or any ERISA Affiliate to the PBGC or such Plan under Title IV of ERISA.

“United States” and “U.S.” each mean the United States of America.

“U.S. Government Securities Business Day” means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“U.S. Lender” means a Lender that is not a Foreign Lender.

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regime” has the meaning assigned to such term in Section 9.18.

“UK Bankruptcy Event” means:

(a) a UK Relevant Entity is unable or admits inability to pay its debts (as defined in section 123(1)(a) of the Insolvency Act 1986) as they fall due or is deemed to or declared to be unable to pay its debts under applicable law, or suspends or threatens to suspend making payments on any of its debts or, by reason of actual or anticipated financial difficulties; or

(b) any corporate action, legal proceedings or other formal procedure or formal step for (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of any UK Relevant Entity; (ii) a composition, compromise, assignment or arrangement with any creditor of any UK Relevant Entity; or (iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any UK Relevant Entity, or any of the assets of any UK Relevant Entity; save that this paragraph (b) shall not apply to any action, proceeding, procedure or formal step which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement.

“UK Borrower” means any Affiliate Borrower resident for tax purposes in England and Wales.

“UK Borrower DTTP Filing” means an HM Revenue & Customs’ Form DTTP2, duly completed and filed by the relevant UK Borrower, which:

(a) where it relates to a UK Treaty Lender that is a Lender on the day this Agreement is entered into (or any amendment hereto), contains the scheme reference number and jurisdiction of tax residence stated on its signature page to this Agreement (or any amendment hereto) or as otherwise notified to the Company by that UK Treaty Lender in writing, and:

(iii) a UK Treaty Lender, or (b) a Lender which is a building society (as defined for the purposes of section 880 of the UK ITA 2007) making an advance under a Loan Document.

“UK Relevant Entity” means any Borrower or Material Subsidiary that is incorporated in England and Wales, or any other Borrower or Material Subsidiary capable of becoming subject of an order for winding-up or administration under the Insolvency Act 1986.

“UK Tax Confirmation” means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Loan Document is either (a) a company resident in the United Kingdom for United Kingdom tax purposes or (b) a partnership each member of which is (i) a company so resident in the United Kingdom or (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the UK CTA 2009) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the UK CTA 2009 or (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the UK CTA 2009) of that company.

“UK Tax Deduction” means a deduction or withholding for, or on account of, Tax imposed by the United Kingdom from a payment under a Loan Document, other than a FATCA Deduction.

“UK Treaty” has the meaning assigned to such term in the definition of “UK Treaty State”.

“UK Treaty Lender” means a Lender which is (i) treated as a resident of a UK Treaty State for the purposes of the relevant UK Treaty, (ii) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender’s participation in the Loan is effectively connected, and (iii) subject to the completion of procedural formalities, fulfills any other conditions which must be fulfilled under the relevant UK Treaty to obtain exemption from Tax imposed by the United Kingdom on payments of interest.

“UK Treaty State” means a jurisdiction having a double taxation agreement with the United Kingdom (a “UK Treaty”) which makes provision for full exemption from Tax imposed by the United Kingdom on interest.

“VAT” means (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); (b) any value added tax imposed by the Value Added Tax Act 1994 and (c) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in clause (a) or (b) above, or imposed elsewhere.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “Revolving Loan”) or by Type (e.g., a

**“EurocurrencyTerm Benchmark Loan” or an “RFR Loan”**) or by Class and Type (e.g., a **“EurocurrencyTerm Benchmark Revolving Loan” or an “RFR Revolving Loan”**). Borrowings also may be classified and referred to by Class (e.g., a “Revolving Borrowing”) or by Type (e.g., a **“EurocurrencyTerm Benchmark Borrowing” or an “RFR Borrowing”**) or by Class and Type (e.g., a **“EurocurrencyTerm Benchmark Revolving Borrowing” or an “RFR Revolving Borrowing”**).

SECTION 1.03 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “law” shall be construed as referring to all statutes, rules, regulations, codes and other laws (including official rulings and interpretations thereunder having the force of law or with which affected Persons customarily comply), and all judgments, orders and decrees, of all Governmental Authorities. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented or otherwise modified (subject to any restrictions on such amendments, restatements, supplements or modifications set forth herein), (b) any definition of or reference to any statute, rule or regulation shall be construed as referring thereto as from time to time amended, supplemented or otherwise modified (including by succession of comparable successor laws), (c) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority, any other Governmental Authority that shall have succeeded to any or all functions thereof, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Company notifies the Administrative Agent that the Company requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Company that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied without giving effect to such change until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, (i) all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein (including computations in respect of compliance with Sections 6.01 and 6.02) shall be made (a) without giving effect to any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Debt or other liabilities of the Parent, the Company or any Subsidiary at “fair value”, as defined therein and (b) without giving effect to any treatment of Debt under Accounting Standards Codification 470-20 or 2015-03 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Debt in a reduced or bifurcated manner as described therein, and such Debt shall at all times be valued at the full stated principal amount thereof and (ii) except to the extent contemplated by clause (b) of the second sentence of the definition of “Synthetic Lease Obligations”, without giving effect to any change to, or modification of, GAAP (including any future phase-in of changes to GAAP that have been approved as of December 1, 2018) which would require the

capitalization of leases characterized as “operating leases” as of December 1, 2018 (it being understood and agreed, for the avoidance of doubt, financial statements delivered pursuant to Section 5.01(a) and 5.01(b) shall be prepared without giving effect to this sentence).

SECTION 1.05 Interest Rates; LIBOR Benchmark Notification. The interest rate on a Loan denominated in an Agreed Dollars or a Foreign Currency may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. ~~Regulators have signaled the need to use alternative benchmark reference rates for some of these interest rate benchmarks and, as a result, such interest rate benchmarks may cease to comply with applicable laws and regulations, may be permanently discontinued, and/or the basis on which they are calculated may change. The London interbank offered rate (“LIBOR”) is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. On March 5, 2021, the U.K. Financial Conduct Authority (“FCA”) publicly announced that: (a) immediately after December 31, 2021, publication of all seven euro LIBOR settings, all seven Swiss Franc LIBOR settings, the spot next, 1-week, 2-month and 12-month Japanese Yen LIBOR settings, the overnight, 1-week, 2-month and 12-month Pounds Sterling LIBOR settings, and the 1-week and 2-month U.S. Dollar LIBOR settings will permanently cease; immediately after June 30, 2023, publication of the overnight and 12-month U.S. Dollar LIBOR settings will permanently cease; immediately after December 31, 2021, the 1-month, 3-month and 6-month Japanese Yen LIBOR settings and the 1-month, 3-month and 6-month Pounds Sterling LIBOR settings will cease to be provided or, subject to consultation by the FCA, be provided on a changed methodology (or “synthetic”) basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored; and immediately after June 30, 2023, the 1-month, 3-month and 6-month U.S. Dollar LIBOR settings will cease to be provided or, subject to the FCA’s consideration of the case, be provided on a synthetic basis and no longer be representative of the underlying market and economic reality they are intended to measure and that representativeness will not be restored. There is no assurance that dates announced by the FCA will not change or that the administrator of LIBOR and/or regulators will not take further action that could impact the availability, composition, or characteristics of LIBOR or the currencies and/or tenors for which LIBOR is published. Each party to this agreement should consult its own advisors to stay informed of any such developments. Public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR. Upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, Section 2.14(b) and Section 2.14(e) provide~~ provides a mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Company, pursuant to Section 2.14(e), of any change to the reference rate upon which the interest rate on Eurocurrency Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission, performance or any other matter related to LIBOR, EURIBOR or other rates in the definition of “LIBO Rate” (or “EURIBO Rate”, as applicable) any interest rate used in this Agreement, or with respect to any alternative or successor rate thereto, or replacement rate thereof ~~(including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 2.14(b) or Section 2.14(e), whether upon the occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.14(d))~~, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBO Rate (or the EURIBO Rate, as applicable) existing interest rate being replaced or have the same volume or liquidity as did LIBOR (or the euro interbank offered rate (“EURIBOR”), as applicable) any existing interest rate prior to its discontinuance or unavailability ~~(other than, for the avoidance of doubt, with respect to its obligation to apply the definition of such rate in accordance with its terms and comply with its obligations in Article II (including Section 2.14) of this Agreement)~~. The

Administrative Agent and its affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate used in this Agreement or any alternative, successor or alternative rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrowers. The Administrative Agent may select information sources or services in its reasonable good faith discretion to ascertain any interest rate with respect to any Eurocurrency Loan used in this Agreement, any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrowers, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.06 Luxembourg Terms. Notwithstanding any other provision of this Agreement to the contrary, in this Agreement where it relates to any Affiliate Borrower which is organized under the laws of Luxembourg, a reference to: (a) a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors, compulsory manager or other similar officer includes a *juge délégué, commissaire, juge-commissaire, mandataire ad hoc, administrateur provisoire, liquidateur* or *curateur*; (b) liquidation, bankruptcy, insolvency, reorganization, moratorium or any similar proceeding shall include (i) insolvency/bankruptcy (*faillite*) within the meaning of Articles 437 ff. of the Luxembourg Commercial Code, (ii) controlled management (*gestion contrôlée*) within the meaning of the grand ducal regulation of 24 May 1935 on controlled management, (iii) voluntary arrangement with creditors (*concordat préventif de la faillite*) within the meaning of the law of 14 April 1886 on arrangements to prevent insolvency, as amended, (iv) suspension of payments (*sursis de paiement*) within the meaning of Articles 593 ff. of the Luxembourg Commercial Code or (v) voluntary or compulsory winding-up pursuant to the law of 10 August 1915 on commercial companies, as amended, (c) a lien or security interest includes any *hypothèque, nantissement, gage, privilège, sûreté réelle, droit de rétention*, and any type of security in rem (*sûreté réelle*) or agreement or arrangement having a similar effect and any transfer of title by way of security; (d) a person being unable to pay its debts includes that person being in a state of cessation of payments (*cessation de paiements*) or having lost or meeting the criteria to lose its commercial creditworthiness (*ébranlement de crédit*); (e) attachments or similar creditors process means an executory attachment (*saisie exécutoire*) or conservatory attachment (*saisie arrêt*); and (f) a “set-off” includes, for purposes of Luxembourg law, legal set-off.

SECTION 1.07 Certain Calculations. No Default or Event of Default shall arise as a result of any limitation or threshold set forth in Dollars in Articles VI and VII under this Agreement being exceeded solely as a result of changes in currency exchange rates from those rates applicable on the last day of the fiscal quarter of the Parent immediately preceding the fiscal quarter of the Parent in which the applicable transaction or occurrence requiring a determination occurs.

SECTION 1.08 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

SECTION 1.09 Leverage Ratios. Notwithstanding anything to the contrary contained herein, for purposes of calculating any pro forma leverage ratio herein in connection with the incurrence of any Debt, (a) there shall be no netting of the cash proceeds of such Debt proposed to be received in respect of the incurrence thereof and (b) to the extent the Debt to be incurred is revolving Debt, such

incurred revolving Debt (or if applicable, the portion (and only such portion) of the increased commitments thereunder) shall be treated as fully drawn.

**SECTION 1.10 Amendment and Restatement of the Existing Credit Agreement.** The parties to this Agreement agree that, upon (i) the execution and delivery by each of the parties hereto of this Agreement and (ii) satisfaction of the conditions set forth in Section 4.01, the terms and provisions of the Existing Credit Agreement shall be and hereby are amended, superseded and restated in their entirety by the terms and provisions of this Agreement. This Agreement is not intended to and shall not constitute a novation. All “Loans” (the “Existing Loans”) made and “Obligations” incurred under the Existing Credit Agreement which are outstanding on the Effective Date shall (other than any “Term Loans” under (and as defined in) the Existing Credit Agreement to the extent repaid on the Effective Date) continue as Loans and Obligations under (and shall be governed by the terms of) this Agreement and the other Loan Documents. Without limiting the foregoing, upon the effectiveness hereof: (a) all references in the “Loan Documents” (as defined in the Existing Credit Agreement) to the “Administrative Agent”, the “Credit Agreement” and the “Loan Documents” shall be deemed to refer to the Administrative Agent, this Agreement and the Loan Documents, (b) the Administrative Agent shall make such reallocations, sales, assignments or other relevant actions in respect of each Lender’s credit exposure under the Existing Credit Agreement as are necessary in order that each such Lender’s Revolving Credit Exposure and outstanding Term Loans hereunder reflects such Lender’s Applicable Percentage of the outstanding aggregate Revolving Credit Exposures and Term Loans on the Effective Date (without the necessity of executing and delivering any Assignment and Assumption or the payment of any processing or recordation fee), (c) the Existing Loans of each Departing Lender shall be repaid in full (accompanied by any accrued and unpaid interest and fees thereon), each Departing Lender’s “Commitment” under the Existing Credit Agreement shall be terminated and the Departing Lenders shall not be a Lender hereunder (provided, however, that the Departing Lenders shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17 and 9.03) and (d) the Company hereby agrees to compensate each Lender (and the Departing Lenders) for any and all losses, costs and expenses incurred by such Lender in connection with the sale and assignment of any **Eurocurrency Term Benchmark** Loans (including the “Eurocurrency Loans” under **(and as defined in)** the Existing Credit Agreement) and such reallocation (and any repayment or prepayment of each Departing Lender’s Loan) described above, in each case on the terms and in the manner set forth in Section 2.16 hereof.

## ARTICLE II.

### THE CREDITS

**SECTION 2.01 Re-Evidence of Existing Term Loans; Revolving Commitments.** Prior to the Effective Date, certain term loans were previously made to the Company under the Existing Credit Agreement which remain outstanding as of the Effective Date (such outstanding loans being hereinafter referred to as the “Existing Term Loans”). Subject to the terms and conditions set forth in this Agreement, the parties hereto agree that on the Effective Date, but subject to the reallocation and other transactions described in Section 1.10, the Existing Term Loans shall be re-evidenced as Term Loans under this Agreement and the terms of the Existing Loans shall be restated in their entirety and shall be evidenced by this Agreement. Furthermore, subject to the terms and conditions set forth herein, each Revolving Lender (severally and not jointly) agrees to make Revolving Loans to the Borrowers in Agreed Loan Currencies from time to time during the Availability Period in an aggregate principal amount that will not, subject to fluctuations in currency exchange rates and Section 2.11.2 and subject to any application of proceeds of such Borrowing to any Swingline Loans outstanding pursuant to Section 2.10(a)(i), result in (i) subject to Section 2.04, the Dollar Amount of such Lender’s Revolving Credit Exposure exceeding such Lender’s Revolving Commitment, (ii) subject to Section 2.04, the Dollar Amount of the Total Revolving Credit Exposure exceeding the aggregate Revolving Commitments, (iii) subject to Section 2.04, the sum of the aggregate principal Dollar Amount of all Loans outstanding to Affiliate Borrowers exceeding the Affiliate Borrower Sublimit or (iv) subject to Section 2.04, the Dollar Amount of the total outstanding Revolving Loans

and LC Exposure, in each case denominated in Foreign Currencies, exceeding the Foreign Currency Sublimit. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrowers may borrow, prepay and reborrow Revolving Loans. The Term Loans have been funded and may not be reborrowed. Amounts repaid or prepaid in respect of Term Loans may not be reborrowed.

SECTION 2.02 Loans and Borrowings. (a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the applicable Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required. Any Swingline Loan shall be made in accordance with the procedures set forth in Section 2.05.

(b) Subject to Section 2.14, ~~(i)~~ each Revolving Borrowing and Term Loan Borrowing shall be comprised (i) in the case of Borrowings in Dollars, entirely of ABR Loans or ~~Eurocurrency Loans~~ Term Benchmark Loans and (ii) in the case of Borrowings in any other Agreed Currency, entirely of Term Benchmark Loans or RFR Loans, as applicable, in each case of the same Agreed Currency, as the relevant Borrower may request in accordance herewith; provided that each ABR Loan shall only be made in Dollars and ~~no ABR Loan shall be made to a Designated Borrower and~~ (ii) each Swingline Loan shall be (x) an ABR Loan in the case of a Swingline Loan denominated in Dollars ~~(other than a Designated Swingline Loan)~~, ~~(y) a Eurocurrency Swingline or~~ (y) an RFR Loan in the case of a Swingline Loan denominated in ~~any Foreign Currency or~~ ~~(z) a Eurocurrency Swingline Loan in the case of a Designated Swingline Loan~~ euro. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan (and in the case of an Affiliate, the provisions of Sections 2.14, 2.15, 2.16 and 2.17 shall apply to such Affiliate to the same extent as to such Lender); provided that any exercise of such option shall not affect the obligation of any Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurocurrency Term Benchmark Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 (or, if such Borrowing is denominated in a Foreign Currency, 1,000,000 units of such currency) and not less than \$5,000,000 (or, if such Borrowing is denominated in a Foreign Currency, 5,000,000 units of such currency). At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$1,000,000; provided that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the aggregate Revolving Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e). Each Swingline Loan shall be in an amount that is an integral multiple of \$25,000 (or, if such Swingline Loan is denominated in a Foreign Currency, 25,000 units of such currency) and not less than \$100,000 (or, if such Swingline Loan is denominated in a Foreign Currency, 100,000 units of such currency). Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of fifteen (15) Eurocurrency Term Benchmark Borrowings or RFR Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the applicable Maturity Date.

SECTION 2.03 Requests for Borrowings. To request a Borrowing, the applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent of such request (a) by irrevocable written notice (via a written Borrowing Request signed by the applicable Borrower, or the Company on behalf of the applicable Borrower) (i) in the case of a Eurocurrency Term Benchmark Borrowing denominated in Dollars, not later than 3:00 p.m.,

Chicago time, three (3) U.S. Government Securities Business Days before the date of the proposed Borrowing or (ii) in the case of a Eurocurrency Term Benchmark Borrowing denominated in euro, not later than 1:00 p.m., Chicago time, four (4) Business Days before the date of the proposed Borrowing or (b) by irrevocable written notice (via a written Borrowing Request signed by the applicable Borrower, or the Company on behalf of the applicable Borrower) in the case of an ABR Borrowing, not later than 12:00 noon, Chicago time, on the Business Day of the proposed Borrowing. Each such Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the name of the applicable Borrower;
- (ii) the Agreed Currency and aggregate principal amount of the requested Borrowing;
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) whether such Borrowing is to be an ABR Borrowing ~~or a Eurocurrency~~ (in the case of Borrowings denominated in Dollars), a Term Benchmark Borrowing or an RFR Borrowing and whether such Borrowing is a Revolving Borrowing or a Term Loan Borrowing;
- (v) in the case of a Eurocurrency Term Benchmark Borrowing, the ~~Agreed Currency and~~ initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period"; and
- (vi) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.07.

If no election as to the currency of a Borrowing is specified, then the requested Borrowing shall be made in Dollars. If no election as to the Type of Borrowing is specified, then, in the case of a Borrowing denominated in Dollars ~~(other than a Designated Loan)~~, the requested Borrowing shall be a Eurocurrency Term Benchmark Borrowing with an Interest Period of one month's duration. If no Interest Period is specified with respect to any requested Eurocurrency Term Benchmark Borrowing, then the relevant Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04 Determination of Dollar Amounts. The Administrative Agent will determine the Dollar Amount of:

- (a) any Loan denominated in a Foreign Currency, on each of the following: (i) the date of the Borrowing of such Loan and (ii) (A) with respect to any Term Benchmark Loan, each date of a conversion or continuation of such Loan pursuant to the terms of this Agreement, and (B) with respect to any RFR Loan, each date that is on the numerically corresponding day in each calendar month that is one month after the Borrowing of such Loan (or, if there is no such numerically corresponding day in such month, then the last day of such month),
- (b) any Letter of Credit denominated in a Foreign Currency, on each of the following: (i) the date on which such Letter of Credit is issued, (ii) the first Business Day of each calendar month and (iii) the date of any amendment of such Letter of Credit that has the effect of increasing the face amount thereof, and

(c) any Credit Event, on any additional date as the Administrative Agent may determine at any time when an Event of Default exists.

Each day upon or as of which the Administrative Agent determines Dollar Amounts as described in the preceding clauses (a), (b) and (c) is herein described as a “Computation Date” with respect to each Credit Event for which a Dollar Amount is determined on or as of such day, and the Administrative Agent shall notify the Company of all such determinations and related computations on such Computation Date.

SECTION 2.05 Swingline Loans. (a) Subject to the terms and conditions set forth herein, each Swingline Lender may in its sole discretion make Swingline Loans in Agreed Loan Currencies to any Borrower from time to time during the Availability Period, in an aggregate principal Dollar Amount at any time outstanding that will not, subject to fluctuations in currency exchange rates and Section 2.11.2, result in (i) subject to Section 2.04, the Dollar Amount of the aggregate principal amount of outstanding Swingline Loans made by such Swingline Lender exceeding such Swingline Lender’s Swingline Sublimit, except to the extent otherwise agreed by such Swingline Lender and the Company with notice to be concurrently given to the Administrative Agent, (ii) subject to Section 2.04, any Swingline Lender’s Revolving Credit Exposure exceeding its Revolving Commitment, (iii) subject to Section 2.04, the aggregate principal Dollar Amount of outstanding Swingline Loans exceeding \$75,000,000, (iv) subject to Section 2.04, the Dollar Amount of the Total Revolving Credit Exposure exceeding the aggregate Revolving Commitments or (v) subject to Section 2.04, the Dollar Amount of the aggregate principal amount of outstanding Swingline Loans denominated in a Foreign Currency exceeding the Swingline Foreign Currency Sublimit; provided that a Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, any Borrower may borrow, prepay and reborrow Swingline Loans.

(b) To request a Swingline Loan, the applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent of such request by (i) irrevocable written notice (via a written Borrowing Request signed by the applicable Borrower, or the Company on behalf of the applicable Borrower), not later than 1:00 p.m., Chicago time, on the day of a proposed Swingline Loan in Dollars (~~other than a Designated Swingline Loan~~) and (ii) irrevocable written notice (via a written Borrowing Request signed by the applicable Borrower, or the Company on behalf of the applicable Borrower), not later than 9:00 a.m., Local Time, on the day of a proposed ~~Eurocurrency~~ Swingline Loan in ~~a Foreign Currency or a Designated Swingline Loan~~ ~~euro~~. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day), applicable Borrower requesting such Swingline Loan, applicable currency, ~~Interest Period (in the case of a Eurocurrency Swingline Loan)~~, Type and amount of the requested Swingline Loan and the Swingline Lender to make such Swingline Loan. The Administrative Agent will promptly advise such Swingline Lender of any such notice received from the Company or any other applicable Borrower. Unless otherwise directed by the Company or the applicable Borrower, each Swingline Lender shall (subject to such Swingline Lender’s discretion to make Swingline Loans as set forth in Section 2.05(a)) make each Swingline Loan to be made by it available to the applicable Borrower by means of a credit to an account of the Company or such other applicable Borrower with the Administrative Agent designated for such purpose (or, in the case of a Swingline Loan made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e), by remittance to the relevant Issuing Bank) by 3:00 p.m., Local Time, on the requested date of such Swingline Loan.

(c) Any Swingline Lender may by written notice given to the Administrative Agent require the Revolving Lenders to acquire participations in all or a portion of its Swingline Loans outstanding in the applicable Agreed Currency of such Swingline Loan or Loans. Such notice shall specify the aggregate amount and Agreed Currency of Swingline Loans in which Revolving Lenders will participate. Promptly upon receipt of such notice, the Administrative Agent will give notice thereof to each Revolving Lender, specifying in such notice such Revolving Lender’s Applicable Percentage of such Swingline Loan or Loans and the applicable Agreed Currency of such Swingline

outstanding Revolving Loans and LC Exposure, in each case denominated in Foreign Currencies, shall not exceed the Foreign Currency Sublimit.

(c) Expiration Date. Each Letter of Credit shall expire (or, if set forth in such Letter of Credit, be subject to termination by notice from the Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date two years after the date of the issuance of such Letter of Credit (or, in the case of any extension thereof, two years after such extension), unless the Required Revolving Lenders and the applicable Issuing Bank, in their discretion, have approved a later expiry date in writing and (ii) the date that is five (5) Business Days prior to the Revolving Credit Maturity Date; provided that, notwithstanding clauses (i) and (ii) above, upon the Company's request and subject to the approval, in its discretion, by the Administrative Agent and the applicable Issuing Bank that has issued such Letter of Credit, any such Letter of Credit may have a later expiry date (but in any event not later than one (1) year after the Revolving Credit Maturity Date) if Cash Collateralized in compliance with Section 2.06(j) below.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of any Issuing Bank or the Revolving Lenders, each Issuing Bank hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Revolving Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the relevant Issuing Bank, such Revolving Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Company on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Company for any reason, including after the Revolving Credit Maturity Date. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Company shall reimburse such LC Disbursement by paying to the Administrative Agent in Dollars the Dollar Amount equal to such LC Disbursement, calculated as of the date such Issuing Bank made such LC Disbursement (or if such Issuing Bank shall so elect in its sole discretion by notice to the Company, in such other Agreed LC Currency which was paid by such Issuing Bank pursuant to such LC Disbursement in an amount equal to such LC Disbursement) not later than 12:00 noon, Local Time, on the date that such LC Disbursement is made, if the Company shall have received notice of such LC Disbursement prior to 10:00 a.m., Local Time, on such date, or, if such notice has not been received by the Company prior to such time on such date, then not later than 12:00 noon, Local Time, on (i) the Business Day that the Company receives such notice, if such notice is received prior to 10:00 a.m., Local Time, on the day of receipt, or (ii) the Business Day immediately following the day that the Company receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, subject to the conditions to borrowing set forth herein, (i) to the extent such LC Disbursement was made in Dollars, such payment shall, automatically and without notice, be financed with (x) if the LC Disbursement is equal to or greater than \$1,000,000, an ABR Revolving Borrowing in Dollars or, at the Company's election, a Swingline Loan, or (y) if the LC Disbursement is equal to or greater than \$100,000 but less than \$1,000,000, a Swingline Loan, in each case in an amount equal to such LC Disbursement or (ii) to the extent such LC Disbursement was made in a Foreign Currency, the Company may request in accordance with Section 2.03 that such payment be financed with (i) an ABR Revolving Borrowing or **Eurocurrency Term Benchmark** Revolving Borrowing in Dollars in the Dollar Amount of such LC Disbursement or (ii) to the extent that such LC Disbursement was made in a Foreign Currency, a **Eurocurrency Term Benchmark** Revolving Borrowing in such Foreign Currency (in the event such

Foreign Currency is an Agreed Loan Currency) in an amount equal to such LC Disbursement, and, in each case, to the extent so financed, the Company's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing, Swingline Loan or **EurocurrencyTerm Benchmark** Revolving Borrowing, as applicable. If the Company fails to make such payment when due, the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Company in respect thereof and such Revolving Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Company, in the same manner as provided in Section 2.07 with respect to Loans made by such Revolving Lender (and Section 2.07 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders, provided that, with respect to any such payment in respect of a Letter of Credit denominated in an Agreed LC Currency that is not an Agreed Loan Currency, any Revolving Lender may make such payment in Dollars in the Dollar Amount of such LC Disbursement), and the Administrative Agent shall promptly pay to such Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Company pursuant to this paragraph, the Administrative Agent shall distribute such payment to such Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Revolving Lenders and such Issuing Bank as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse any Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans, **EurocurrencyTerm Benchmark** Revolving Loans or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Company of its obligation to reimburse such LC Disbursement. If the Company's reimbursement of, or obligation to reimburse, any amounts in any Foreign Currency would subject the Administrative Agent, any Issuing Bank or any Revolving Lender to any stamp duty, ad valorem charge or similar tax that would not be payable if such reimbursement were made or required to be made in Dollars, the Administrative Agent shall promptly notify the Company prior to payment by the Company, and the Company shall, at its option, either (x) pay the amount of any such tax requested by the Administrative Agent, the relevant Issuing Bank or the relevant Revolving Lender or (y) reimburse each LC Disbursement made in such Foreign Currency in Dollars, in an amount equal to the Dollar Amount thereof calculated on the date such LC Disbursement is made.

(f) Obligations Absolute. The Company's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Agreement or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) any payment by any Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Company's obligations hereunder, or (v) any adverse change in the relevant exchange rates or in the availability of the relevant Foreign Currency to the Company or any Subsidiary or in the relevant currency markets generally. Neither the Administrative Agent, the Revolving Lenders nor the Issuing Banks, nor any of their respective Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of an Issuing Bank; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Company to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by

the Company to the extent permitted by applicable law) suffered by the Company that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the relevant Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. Each Issuing Bank shall, within the time period stipulated by the terms and conditions of the applicable Letter of Credit following its receipt thereof (and, if no time period is so stipulated, promptly), examine all documents purporting to represent a demand for payment under a Letter of Credit. After such examination, such Issuing Bank shall promptly notify the Administrative Agent and the Company by telephone (confirmed by teletype or email in accordance with Section 9.01) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Company of its obligation to reimburse such Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement in accordance with Section 2.06(e).

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless the Company shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Company reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans (or in the case such LC Disbursement is denominated in a Foreign Currency, at the Overnight Rate for such Agreed LC Currency plus the then effective Applicable Rate with respect to ~~Eurocurrency~~ Term Benchmark Revolving Loans); provided that, if the Company fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.13(b) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the relevant Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse any Issuing Bank shall be for the account of such Revolving Lender to the extent of such payment.

(i) Replacement and Resignation of Issuing Bank. (A) Each Issuing Bank may be replaced at any time by written agreement among the Company, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Company shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.12(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit then outstanding and issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(B) Subject to the appointment and acceptance of a successor Issuing Bank, any Issuing Bank may resign as an Issuing Bank at any time upon thirty days' prior written notice

Currency to the extent so deposited or applied), (ii) that the Revolving Lenders are at the time or thereafter become required to pay to the Administrative Agent and the Administrative Agent is at the time or thereafter becomes required to distribute to any Issuing Bank pursuant to paragraph (e) of this Section in respect of unreimbursed LC Disbursements made under any Foreign Currency Letter of Credit and (iii) of each Revolving Lender's participation in any Foreign Currency Letter of Credit under which an LC Disbursement has been made shall, automatically and with no further action required, be converted into the Dollar Amount thereof, calculated on such date (or in the case of any LC Disbursement made after such date, on the date such LC Disbursement is made), of such amounts. On and after such conversion, all amounts accruing and owed to the Administrative Agent, any Issuing Bank or any Revolving Lender in respect of the obligations described in this paragraph shall accrue and be payable in Dollars at the rates otherwise applicable hereunder.

(l) Issuing Bank Agreements. Each Issuing Bank agrees that, unless otherwise requested by the Administrative Agent, such Issuing Bank shall report in writing to the Administrative Agent (i) on the first Business Day of each week, the daily activity (set forth by day) in respect of Letters of Credit during the immediately preceding week, including all issuances, extensions and amendments, all expirations and cancellations and all disbursements and reimbursements, (ii) on or prior to each Business Day on which such Issuing Bank expects to issue, amend or extend any Letter of Credit, the date of such issuance, amendment or extension, and the aggregate face amount of the Letters of Credit to be issued, amended or extended by it and outstanding after giving effect to such issuance, amendment or extension occurred (and whether the amount thereof changed), (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date of such LC Disbursement and the amount of such LC Disbursement, (iv) on any Business Day on which any Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount and currency of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request.

(m) LC Exposure Determination. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the amount of such Letter of Credit available to be drawn at such time; provided that with respect to any Letter of Credit that, by its terms or the terms of any Letter of Credit Agreement related thereto, provides for one or more automatic increases in the available amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time.

SECTION 2.07 Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date specified in accordance with the terms hereof in the Borrowing Request solely by wire transfer of immediately available funds (i) in the case of Loans denominated in Dollars ~~(other than a Designated Loan)~~, by 1:00 p.m., Chicago time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders and (ii) in the case of each Loan denominated in a Foreign Currency ~~and Designated Loans~~, by 1:00 p.m., Local Time, in the city of the Administrative Agent's ~~Eurocurrency~~Foreign Currency Payment Office for such currency and at such ~~Eurocurrency~~Foreign Currency Payment Office for such currency; provided that Swingline Loans shall be made as provided in Section 2.05. Except in respect of the provisions of this Agreement covering the reimbursement of Letters of Credit, the Administrative Agent will make such Loans available to the relevant Borrower by promptly crediting funds so received in the aforesaid account of the Administrative Agent to (x) an account of the Company maintained with the Administrative Agent in New York City or Chicago and designated by the relevant Borrower in the applicable Borrowing Request, in the case of Loans denominated in Dollars and (y) an account of such Borrower maintained in the relevant jurisdiction and designated by such Borrower in the applicable Borrowing Request, in the case of Loans denominated in a Foreign Currency; provided that Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the relevant Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing (or in the case of an ABR Borrowing, prior to 1:00 p.m., Chicago time, on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the relevant Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and such Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to such Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the applicable Overnight Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of such Borrower, the interest rate applicable under this Agreement to such Loans, or in the case of Foreign Currencies, in accordance with such market practice, in each case, as applicable. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.08 Interest Elections. (a) Each Borrowing initially shall be of the Type and Agreed Loan Currency specified in the applicable Borrowing Request (or, if not so specified, as provided in Section 2.03) and, in the case of a Eurocurrency Term Benchmark Borrowing, shall have an initial Interest Period as specified in such Borrowing Request (or, if not so specified, as provided in Section 2.03). Thereafter, the relevant Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurocurrency Term Benchmark Borrowing, may elect Interest Periods therefor, all as provided in this Section. A Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. This Section shall not apply to Swingline Borrowings, which may not be converted or continued.

(b) To make an election pursuant to this Section, a Borrower, or the Company on its behalf, shall notify the Administrative Agent of such election (by irrevocable written notice (via an Interest Election Request signed by such Borrower, or the Company on its behalf) by the time that a Borrowing Request would be required under Section 2.03 if such Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Notwithstanding any contrary provision herein, this Section shall not be construed to permit any Borrower to (i) change the currency of any Borrowing, (ii) elect an Interest Period for Eurocurrency Term Benchmark Loans that does not comply with Section 2.02(d) or (iii) convert any Borrowing to a Borrowing of a Type not available under the Class of Commitments pursuant to which such Borrowing was made.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the name of the applicable Borrower and the Agreed Loan Currency and principal amount of the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing ~~or a Eurocurrency~~(in the case of Borrowings denominated in Dollars), a Term Benchmark Borrowing or an RFR Borrowing; and

(iv) if the resulting Borrowing is a EurocurrencyTerm Benchmark Borrowing, the Interest Period ~~and Agreed Currency~~ to be applicable thereto after giving effect to such election, which Interest Period shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a EurocurrencyTerm Benchmark Borrowing but does not specify an Interest Period, then the applicable Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the relevant Borrower fails to deliver a timely Interest Election Request with respect to a EurocurrencyTerm Benchmark Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period (i) in the case of a Borrowing denominated in Dollars ~~(other than Designated Loans)~~, such Borrowing shall be converted to an ABR Borrowing; provided that if the Company shall have delivered to the Administrative Agent its customary standard documentation pre-authorizing automatic continuations, such Borrowing shall automatically ~~continue as a Eurocurrency Borrowing in Dollars with an Interest Period of one month unless such Eurocurrency Borrowing is or was repaid in accordance with Section 2.11 and~~ (ii) ~~in the case of a Borrowing denominated in a Foreign Currency or a Designated Loan in respect of which the applicable Borrower shall have failed to deliver an Interest Election Request prior to the third (3<sup>rd</sup>) Business Day preceding the end of such Interest Period, such Borrowing shall automatically continue as a Eurocurrency Borrowing in the same Agreed~~ be continued as a Term Benchmark Borrowing in its original Agreed Loan Currency with an Interest Period of one month at the end of such Interest Period. If the relevant Borrower fails to deliver a timely and complete Interest Election Request with respect to an RFR Borrowing in a Foreign Currency prior to the Interest Payment Date therefor, then, unless such EurocurrencyRFR Borrowing is ~~or was repaid in accordance with Section 2.11 as provided herein, such Borrower shall be deemed to have selected that such RFR Borrowing shall automatically be continued as an RFR Borrowing in its original Agreed Loan Currency bearing interest at a rate based upon the applicable Daily Simple RFR as of such Interest Payment Date.~~ Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Company, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a EurocurrencyTerm Benchmark Borrowing and (ii) unless repaid, (x) each EurocurrencyTerm Benchmark Borrowing and each RFR Borrowing, in each case denominated in Dollars ~~(other than Designated Loans)~~ shall be converted to an ABR Borrowing (in the case of a Term Benchmark Borrowing) at the end of the Interest Period applicable thereto or (in the case of an RFR Borrowing) on the next Interest Payment Date in respect thereof, at the end of the Interest Period applicable thereto and (y) each EurocurrencyTerm Benchmark Borrowing and each RFR Borrowing, in each case denominated in a Foreign Currency shall bear interest at the Central Bank Rate for the applicable Agreed Currency plus the ~~Applicable Rate~~ CBR Spread; provided that, if the Administrative Agent determines reasonably and in good faith (which determination shall be conclusive and binding absent demonstrable error) that the Central Bank Rate for the applicable Agreed Currency cannot be determined, any outstanding affected ~~Eurocurrency Loan~~ Term Benchmark Loans or RFR Loans denominated in any Foreign Currency shall either be (A) converted to an ABR Borrowing denominated in Dollars (in an amount equal to the Dollar Amount of such Foreign Currency) at the end of the Interest Period or on the Interest Payment Date, as applicable, therefor or (B) prepaid at

the end of the applicable Interest Period or on the Interest Payment Date, as applicable, in full; provided that if no election is made by the relevant Borrower by the earlier of (x) the date that is three (3) Business Days after receipt by the Company of such notice and (y) the last day of the current Interest Period for the applicable Eurocurrency Term Benchmark Loan, such Borrower shall be deemed to have elected clause (A) above.

SECTION 2.09 Termination and Reduction of Commitments.

(a) Unless previously terminated, the Revolving Commitments shall terminate on the Revolving Credit Maturity Date (subject to Section 2.25).

(b) The Company may at any time terminate, or from time to time reduce, the Revolving Commitments; provided that (i) each reduction of the Revolving Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 and (ii) the Company shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.11, (A) the Dollar Amount of any Revolving Lender's Revolving Credit Exposure would exceed its Revolving Commitment or (B) the Dollar Amount of the Total Revolving Credit Exposure would exceed the aggregate Revolving Commitments.

(c) Notwithstanding the foregoing, upon the acquisition of one Lender by another Lender, or the merger, consolidation or other combination of any two or more Lenders (any such acquisition, merger, consolidation or other combination being referred to hereinafter as a "Combination" and each Lender which is a party to such Combination being hereinafter referred to as a "Combined Lender"), the Company may notify the Administrative Agent that it desires to reduce the Revolving Commitment of the Lender surviving such Combination (the "Surviving Lender") to an amount equal to the Revolving Commitment of that Combined Lender which had the largest Revolving Commitment of each of the Combined Lenders party to such Combination (such largest Revolving Commitment being the "Surviving Commitment" and the Revolving Commitments of the other Combined Lenders being hereinafter referred to, collectively, as the "Retired Commitments"). If the Required Revolving Lenders (determined as set forth below) and the Administrative Agent agree to such reduction in the Surviving Lender's Revolving Commitment, then (i) the aggregate amount of the Revolving Commitments shall be reduced by the Retired Commitments effective upon the effective date of the Combination (or such later date as the Company may specify in its request), provided, that, on or before such date the Borrowers have paid in full the outstanding principal amount of the Loans of each of the Combined Lenders other than the Combined Lender whose Revolving Commitment is the Surviving Commitment, (ii) from and after the effective date of such reduction, the Surviving Lender shall have no obligation with respect to the Retired Commitments, and (iii) the Company shall notify the Administrative Agent whether it wants such reduction to be a permanent reduction or a temporary reduction. If such reduction is to be a temporary reduction, then the Company shall be responsible for finding one or more financial institutions (which for the avoidance of doubt may be an existing Lender) (each, a "Replacement Lender"), acceptable to the Administrative Agent (such acceptance not to be unreasonably withheld, conditioned or delayed), willing to assume the obligations of a Lender hereunder with aggregate Revolving Commitments up to the amount of the Retired Commitments. The Administrative Agent may require the Replacement Lenders to execute such documents, instruments or agreements as the Administrative Agent reasonably deems necessary or desirable to evidence such Replacement Lenders' agreement to become parties hereunder. For purposes of this Section 2.09(c), Required Revolving Lenders shall be determined as if the reduction in the aggregate amount of the Revolving Commitments requested by the Company had occurred (i.e., the Combined Lenders shall be deemed to have a single Revolving Commitment equal to the Surviving Commitment and the aggregate amount of the Revolving Commitments shall be deemed to have been reduced by the Retired Commitments).

(d) The Company shall notify the Administrative Agent of any election to terminate or reduce the Revolving Commitments under paragraph (b) of this Section at least three (3) Business

SECTION 2.11.1. Voluntary Prepayments.

(a) Any Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance with paragraph (b) of this Section; provided that (i) each prepayment of a **Eurocurrency Term Benchmark** Borrowing (other than in connection with a prepayment of all outstanding **Eurocurrency Term Benchmark** Borrowings and/or a prepayment of a **Eurocurrency Term Benchmark** Borrowing made to refinance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e)) shall be in an amount that is an integral multiple of \$1,000,000 (or, if such Borrowing is denominated in a Foreign Currency, 1,000,000 units of such currency) and not less than \$5,000,000 (or, if such Borrowing is denominated in a Foreign Currency, 5,000,000 units of such currency) and (ii) each prepayment of an ABR Borrowing (other than in connection with a prepayment of all outstanding ABR Borrowings and/or a prepayment of an ABR Borrowing made to refinance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e)) shall be in an amount that is an integral multiple of \$100,000 and not less than \$1,000,000.

(b) The applicable Borrower, or the Company on behalf of the applicable Borrower, shall notify the Administrative Agent by written notice of any prepayment hereunder (other than a prepayment of a Swingline Loan) (i) in the case of prepayment of a **Eurocurrency Term Benchmark** Borrowing denominated in Dollars ~~and any Designated Loan~~, not later than 3:00 p.m., Chicago time, three (3) Business Days before the date of prepayment, (ii) in the case of prepayment of a **Eurocurrency Term Benchmark** Borrowing denominated euro, not later than 1:00 p.m., Chicago time, four (4) Business Days before the date of prepayment, (iii) in the case of prepayment of an **RFR Borrowing, not later than 11:00 a.m., New York City time, five (5) RFR Business Days before the date of prepayment,** (iv) in the case of prepayment of an ABR Borrowing, not later than 1:00 p.m., Chicago time, on the date of prepayment or (iv) in the case of prepayment of a Swingline Loan, not later than 1:00 p.m., Local Time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination or reduction of the Commitments as contemplated by Section 2.09, then such notice of prepayment may be revoked if such notice of termination or reduction is revoked in accordance with Section 2.09 and (B) a notice of prepayment by any Borrower, or the Company on behalf of any Borrower, may state that such notice is conditioned upon the effectiveness of other credit facilities or other matters specified therein, in which case such notice may be revoked by the applicable Borrower, or the Company on behalf of the applicable Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the applicable Class of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Revolving Borrowing shall be applied ratably to the Revolving Loans included in the prepaid Revolving Borrowing, and each voluntary prepayment of a Term Loan Borrowing shall be applied ratably to the Term Loans included in the prepaid Term Loan Borrowing. Prepayments shall be accompanied by (i) accrued interest to the extent required by Section 2.13 and (ii) break funding payments required by Section 2.16.

SECTION 2.11.2. Mandatory Prepayments. If at any time, (i) other than as a result of fluctuations in currency exchange rates, (w) the aggregate principal Dollar Amount of the Total Revolving Credit Exposure (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Credit Event) exceeds the aggregate Revolving Commitments, (x) the aggregate principal Dollar Amount of all Loans (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent Computation Date with respect to each such Credit Event) outstanding denominated in Foreign Currencies exceeds the Foreign Currency Sublimit, (y) the aggregate principal Dollar Amount of all Loans (calculated, with respect to those Credit Events denominated in Foreign Currencies, as of the most recent

promptly after demand. Any other fees payable to any Issuing Bank pursuant to this paragraph shall be payable within thirty (30) days after demand accompanied by an invoice in reasonable detail. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Participation fees and fronting fees in respect of Letters of Credit denominated in Dollars shall be paid in Dollars, and participation fees and fronting fees in respect of Letters of Credit denominated in a Foreign Currency shall be paid in Dollars in the Dollar Amount thereof. As used above, "Applicable LC Fee Rate" means at any time (x) in the case of standby Letters of Credit (other than those described in the following clause (y)), the same Applicable Rate used to determine the interest rate applicable to **EurocurrencyTerm Benchmark** Revolving Loans at such time and (y) in the case of commercial Letters of Credit and standby Letters of Credit issued to ensure the performance of services and/or delivery of goods, in each case at a per annum rate equal to 50% of the Applicable Rate used to determine the interest rate applicable to **EurocurrencyTerm Benchmark** Revolving Loans at such time.

(c) The Company agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Company and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds in Dollars (except as expressly provided in this Section), to the Administrative Agent (or to the relevant Issuing Bank, in the case of fees payable to it) for distribution, in the case of facility fees and participation fees, to the applicable Lenders. Fees paid shall not be refundable under any circumstances.

#### SECTION 2.13 Interest.

(a) The Loans comprising each ABR Borrowing (other than any Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate. Each Swingline Loan shall bear interest at a rate per annum agreed upon between the Company and the relevant Swingline Lender (or, if such a rate per annum is not agreed upon between the Company and the relevant Swingline Lender in respect of a Swingline Loan, such Swingline Loan shall bear interest at (i) in the case of a Swingline Loan denominated in Dollars ~~other than a Designated Swingline Loan~~, the Alternate Base Rate plus the Applicable Rate for ABR Revolving Borrowings or (ii) in the case of a Swingline Loan denominated in ~~a Foreign Currency or a Designated Swingline Loan, the Eurocurrency Swingline Rate~~ **euro, the applicable Adjusted Daily Simple RFR** plus the Applicable Rate). The Loans comprising each **EurocurrencyTerm Benchmark** Borrowing (~~other than any Eurocurrency Swingline Borrowing~~) shall bear interest at (i) in the case of a **EurocurrencyTerm Benchmark** Borrowing denominated in Dollars, the Adjusted **LIBOTerm SOFR** Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate and (ii) in the case of a **EurocurrencyTerm Benchmark** Borrowing denominated in euro, the Adjusted EURIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate. Each RFR Loan shall bear interest at a rate per annum equal to the applicable Adjusted Daily Simple RFR plus the Applicable Rate.

(b) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any interest or fee, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(c) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (b) of this Section shall be

payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any **Eurocurrency Term Benchmark** Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(d) ~~Interest computed by reference to the LIBO Rate or the EURIBO Rate~~**All interest** hereunder shall be computed on the basis of a year of 360 days. ~~Interest, except that interest~~ computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year). In each case interest shall be payable for the actual number of days elapsed (including the first day but excluding the last day). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. The applicable Alternate Base Rate, Adjusted ~~LIBO Term~~ **SOFR** Rate, ~~LIBO Term~~ **SOFR** Rate, Adjusted EURIBO Rate ~~or~~, EURIBO Rate, **Adjusted Daily Simple RFR, Daily Simple RFR** shall be determined by the Administrative Agent, and such determination shall be conclusive absent demonstrable error.

(e) By entering into this Agreement, the parties have assumed in bona fide that the interest payable hereunder is not and will not become subject to any deduction or withholding of Taxes for Swiss Withholding Tax. Nevertheless, if a deduction or withholding of Taxes for Swiss Withholding Tax is required by Swiss law to be made by the Swiss Borrower in respect of any interest payable by it under a Loan Document then:

(i) the applicable interest rate in relation to that interest payment shall be

(A) the interest rate which would have applied to that interest payment (as provided for in this Section 2.13) in the absence of this paragraph (e), divided by

(B) one (1) minus the rate at which the relevant deduction or withholding of Taxes for Swiss Withholding Tax is required to be made (where the rate at which the relevant deduction or withholding of Taxes for Swiss Withholding Tax is required to be made is for this purpose expressed as a fraction of (1) rather than as percentage);

(ii) the Swiss Borrower shall: (i) pay the relevant interest at the adjusted rate in accordance with paragraph (a) above and (ii) make the deduction or withholding of Taxes for Swiss Withholding Tax on the interest so recalculated; and

(iii) all references to a rate of interest with respect to any Loan shall be construed accordingly.

To the extent that interest payable by a Swiss Borrower under this Agreement becomes subject to Swiss Withholding Tax, each relevant Lender and each Swiss Borrower shall promptly cooperate by completing any procedural formalities (including submitting forms and documents required by the appropriate Tax authority) to the extent possible and necessary for that Swiss Borrower to obtain authorization to make interest payments without them being subject to Swiss Withholding Tax or to being subject to Swiss Withholding Tax at a rate reduced under applicable double taxation treaties.

In the event Swiss Withholding Tax is refunded to a Lender by the Swiss Federal Tax Administration, the relevant Lender shall forward, after deduction of any due payment to be made at the time of such refund by the relevant Swiss Borrower under this Agreement and costs, such amount to the relevant Swiss Borrower.

(f) The Swiss Borrower is not required to make an increased payment to a Lender under paragraph (e) above by reason of a deduction or withholding of Taxes for Swiss Withholding Tax due to a breach of the Swiss Non-Bank Rules (i) if such lender has made an incorrect declaration of its status as to whether or not it is a Swiss Qualifying Lender, (ii) has breached the assignment, transfer or exposure transfer restrictions pursuant to Section 9.04(b)(ii)(G) (Successors and Assigns), or (iii) has ceased to be a Swiss Qualifying Lender other than as a result of any change after the date it became a Lender under this agreement in (or in the interpretation, administration or application of) any law or double taxation treaty, or any published practice or published concession of any relevant taxing authority.

(g) Interest in respect of Loans denominated in Dollars shall be paid in Dollars, and interest in respect of Loans denominated in a Foreign Currency shall be paid in such Foreign Currency.

**(h) Notwithstanding the foregoing, all “Eurocurrency Loans” (as defined in this Agreement immediately prior to giving effect to Amendment No. 1 to this Agreement on the Amendment No. 1 Effective Date) denominated in Dollars outstanding as of the Amendment No. 1 Effective Date shall remain Eurocurrency Loans outstanding under this Agreement (upon giving effect to Amendment No. 1 to this Agreement on the Amendment No. 1 Effective Date) until the end of the current Interest Period applicable thereto and, upon the expiration of such current Interest Period, shall be converted to Term Benchmark Loans denominated in Dollars with an Interest Period of one (1) month (the “SOFR Conversion”). Subject to the SOFR Conversion, all other terms and conditions set forth in this Agreement with respect to Term Benchmark Loans in Dollars shall apply to such “Eurocurrency Loans” referred to in the first sentence of this clause (h), mutatis mutandis.**

SECTION 2.14 Alternate Rate of Interest.

(a) Subject to clauses (b), (c), (d), (e), ~~and (f)~~ **and (g)** of this Section 2.14, **if**:

(i) ~~if~~ **if** the Administrative Agent determines (which determination shall be conclusive ~~and binding~~ absent demonstrable error) **(A)** prior to the commencement of any Interest Period for a ~~Eurocurrency~~ **Term Benchmark** Borrowing, that adequate and reasonable means do not exist for ascertaining the Adjusted ~~LIBO~~ **Term SOFR** Rate, ~~the LIBO Rate, or the Adjusted EURIBO Rate, the EURIBO Rate as applicable~~ (including, ~~without limitation,~~ because the Relevant Screen Rate is not available or published on a current basis), ~~for the applicable Agreed Loan Currency and such Interest Period~~ **or (B) at any time, that adequate and reasonable means do not exist for ascertaining the applicable Adjusted Daily Simple RFR for the applicable Agreed Loan Currency;** or

(ii) ~~if~~ **if** the Administrative Agent is advised by the Required Lenders that **(A)** prior to the commencement of any Interest Period for a ~~Eurocurrency~~ **Term Benchmark** Borrowing, the Adjusted ~~LIBO Rate, the LIBO Rate, the Adjusted EURIBO~~ **Term SOFR** Rate or the ~~Adjusted~~ **EURIBO** Rate for the applicable Agreed ~~Loan~~ **Loan** Currency and such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for the applicable Agreed ~~Loan~~ **Loan** Currency and ~~for such Interest Period;~~ **or (B) at any time, the applicable Adjusted Daily Simple RFR for the applicable Agreed Loan Currency will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for the applicable Agreed Loan Currency;**

then the Administrative Agent shall give notice (in reasonable detail) thereof to the applicable Borrower and the Lenders of the applicable Class prior to the commencement of such Interest Period, by telephone, facsimile or email in accordance with Section 9.01 as promptly as practicable thereafter and, until **(x)** the Administrative Agent notifies the applicable Borrower and the Lenders of the

applicable Class that the circumstances giving rise to such notice no longer exist (which notice shall be given by the Administrative Agent hereby agrees to provide promptly after its determination of such circumstances ceasing to exist), ~~(i) with respect to the relevant Benchmark and (y) the applicable Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Term Benchmark Borrowing shall be ineffective, (ii) if and~~ any Borrowing Request that requests a Eurocurrency Borrowing in Dollars, such Borrowing shall be made as an ABR Borrowing and (iii) if any Borrowing Request requests a Eurocurrency Borrowing for the relevant rate above in a Foreign Currency, then such request shall be Term Benchmark Borrowing shall instead be deemed to be an Interest Election Request or a Borrowing Request, as applicable, for (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.14(a)(i) or (ii) above or (y) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.14(a)(i) or (ii) above and (B) for Loans denominated in a Foreign Currency, any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term Benchmark Borrowing and any Borrowing Request that requests a Term Benchmark Borrowing or an RFR Borrowing, in each case, for the relevant Benchmark, shall be ineffective; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings Borrowing, then all other Types of Borrowings shall be permitted. Furthermore, if any Eurocurrency Term Benchmark Loan or RFR Loan in any Agreed Loan Currency is outstanding on the date of the applicable Borrower's receipt of the notice from the Administrative Agent referred to in this Section 2.14(a) with respect to a Relevant Rate applicable to such Eurocurrency Term Benchmark Loan or RFR Loan, then until (x) the Administrative Agent notifies the Company and the Lenders that the circumstances giving rise to such notice no longer exist, ~~(1) if such Eurocurrency Loan is (which notice shall be given by the Administrative Agent promptly after such circumstances cease to exist) with respect to the relevant Benchmark and (y) the applicable Borrower delivers a new Interest Election Request in accordance with the terms of Section 2.08 or a new Borrowing Request in accordance with the terms of Section 2.03, (A) for Loans denominated in Dollars, then any Term Benchmark Loan shall~~ on the last day of the Interest Period applicable to such Eurocurrency Loan ~~(or the next succeeding Business Day if such day is not a Business Day), such Eurocurrency Loan shall,~~ be converted by the Administrative Agent to, and shall constitute, ~~an ABR Loan~~ (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not also the subject of Section 2.14(a)(i) or (ii) above or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings also is the subject of Section 2.14(a)(i) or (ii) above, on such day ~~or and~~ (2B) ~~if such Eurocurrency Loan is for Loans denominated in any Agreed a Foreign Currency other than Dollars, then such Eurocurrency, (1) any Term Benchmark Loan shall,~~ on the last day of the Interest Period applicable to such Eurocurrency Loan ~~(or the next succeeding Business Day if such day is not a Business Day)~~ bear interest at the Central Bank Rate for the applicable Agreed Foreign Currency plus the Applicable Rate CBR Spread; provided that, if the Administrative Agent determines reasonably and in good faith (which determination shall be conclusive and binding absent demonstrable manifest error) that the Central Bank Rate for the applicable Agreed Foreign Currency cannot be determined, any outstanding affected Eurocurrency Term Benchmark Loans denominated in ~~any Agreed such Foreign Currency other than Dollars~~ shall, at the applicable Borrower's Company's election prior to such day: (A) be prepaid by ~~such the applicable~~ Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such Eurocurrency Term Benchmark Loan, such Eurocurrency Term Benchmark Loan denominated in ~~any Agreed such Foreign Currency other than Dollars~~ shall be deemed to be a Eurocurrency Term Benchmark Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to Eurocurrency Term Benchmark Loans denominated in Dollars at such time; ~~and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread; provided that, if the Administrative Agent determines reasonably and in good faith (which determination shall be conclusive and binding absent manifest error) that the Central Bank Rate for the applicable Foreign Currency cannot~~

be determined, any outstanding affected RFR Loans denominated in any Foreign Currency, at the Company's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Amount of such Foreign Currency) immediately or (B) be prepaid in full immediately.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event, ~~an Early Opt-in Election or an Other Benchmark Rate Election, as applicable,~~ and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) ~~or (2)~~ of the definition of "Benchmark Replacement" with respect to Dollars for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (32) of the definition of "Benchmark Replacement" with respect to any Agreed Loan Currency for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m., New York City time, on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders and the Company without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

~~(c) Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, with respect to a Loan denominated in Dollars, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that, this clause (c) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Company a Term SOFR Notice. For the avoidance of doubt, the Administrative Agent shall not be required to deliver a Term SOFR Notice after the occurrence of a Term SOFR Transition Event and may do so in its sole discretion; provided, however, the Benchmark Replacement Date cannot occur unless such Term SOFR Notice has been provided and the other applicable requirements in the definition of "Benchmark Replacement Date" have been satisfied.~~

(c) ~~(d)~~—In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) ~~(e)~~—The Administrative Agent will promptly notify the Company and the Lenders of (i) any occurrence of a Benchmark Transition Event, ~~an Early Opt-in Election or an Other Benchmark Rate Election, as applicable, and its related Benchmark Replacement Date,~~ (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (f) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Except as expressly provided in this Agreement, any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.14, including any determination with respect to a tenor, rate or

adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole reasonable good faith discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.14.

(e) ~~(f)~~ Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR, ~~the LIBO~~ Rate or the EURIBO Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service commonly used in the banking industry for such purpose that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion and consistent with such selection generally under other substantially similar syndicated credit facilities for which it acts as the administrative agent or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) ~~(g)~~ Upon the Company's receipt of notice of the commencement of a Benchmark Unavailability Period, and until a Benchmark Replacement is determined in accordance with this Section 2.14, the applicable Borrower may revoke any request for a Eurocurrency Term Benchmark Borrowing or RFR Borrowing, conversion to or continuation of Eurocurrency Term Benchmark Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, either (x) such Borrower will be deemed to have converted any request for a Eurocurrency Term Benchmark Borrowing denominated in Dollars into a request for a Borrowing of or conversion to ABR Loans (A) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (B) an ABR Borrowing if the Adjusted Daily Simple RFR for Dollar Borrowings is the subject of a Benchmark Transition Event or (y) any request for a Eurocurrency Term Benchmark Borrowing or RFR Borrowing denominated in a Foreign Currency shall be ineffective. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR. Furthermore, if any Eurocurrency Term Benchmark Loan or RFR Loan in any Agreed Loan Currency is outstanding on the date of the Company's receipt of notice of the commencement of a Benchmark Unavailability Period with respect to a Relevant Rate applicable to such Eurocurrency Term Benchmark Loan or RFR Loan, then until such time as a Benchmark Replacement for such Agreed Loan Currency is implemented pursuant to this Section 2.14, ~~(iA) if such Eurocurrency Loan is for Loans denominated in Dollars, then any Term Benchmark Loan shall~~ on the last day of the Interest Period applicable to such Eurocurrency Loan ~~(or the next succeeding Business Day if such day is not a Business Day), such Eurocurrency Loan shall~~, be converted by the Administrative Agent to, and shall constitute, an ABR Loan (x) an RFR Borrowing denominated in Dollars so long as the Adjusted Daily Simple RFR for Dollar Borrowings is not the subject of a Benchmark Transition Event or (y) an ABR Loan if the Adjusted Daily Simple RFR for Dollar Borrowings is the subject of a Benchmark Transition Event, on such day ~~or and (iiB) if such Eurocurrency Loan is for Loans denominated in any Agreed a Foreign Currency other than Dollars, then such Eurocurrency, (1) any Term Benchmark~~ Loan shall, on the last day of the Interest Period applicable to such Eurocurrency Loan ~~(or the next succeeding Business Day if such day is not a Business Day)~~ bear interest at the Central Bank Rate for the applicable Agreed Foreign Currency

plus the ~~Applicable Rate~~CBR Spread; provided that, if the Administrative Agent determines reasonably and in good faith (which determination shall be conclusive and binding absent demonstrable error) that the Central Bank Rate for the applicable ~~Agreed Foreign~~ Currency cannot be determined, any outstanding affected ~~Eurocurrency Term Benchmark~~ Loans denominated in any ~~Agreed Foreign~~ Currency ~~other than Dollars~~ shall, at the applicable Borrower's election prior to such day: (A) be prepaid by such Borrower on such day or (B) solely for the purpose of calculating the interest rate applicable to such ~~Eurocurrency Term Benchmark~~ Loan, such ~~Eurocurrency Term Benchmark~~ Loan denominated in any ~~Agreed Foreign~~ Currency ~~other than Dollars~~ shall be deemed to be a ~~Eurocurrency Term Benchmark~~ Loan denominated in Dollars and shall accrue interest at the same interest rate applicable to ~~Eurocurrency Term Benchmark~~ Loans denominated in Dollars at such time; and (2) any RFR Loan shall bear interest at the Central Bank Rate for the applicable Foreign Currency plus the CBR Spread; provided that, if the Administrative Agent determines reasonably and in good faith (which determination shall be conclusive and binding absent demonstrable error) that the Central Bank Rate for the applicable Foreign Currency cannot be determined, any outstanding affected RFR Loans denominated in any Foreign Currency, at the applicable Borrower's election, shall either (A) be converted into ABR Loans denominated in Dollars (in an amount equal to the Dollar Amount of such Foreign Currency) immediately or (B) be prepaid in full immediately.

SECTION 2.15 Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or other assessment) against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted ~~LIBO Rate or the Adjusted~~ EURIBO Rate, ~~as applicable~~) or any Issuing Bank;

(ii) impose on any Lender or any Issuing Bank or the London or other applicable offshore interbank market for the applicable Agreed Currency any other condition affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject the Administrative Agent, any Lender or any Issuing Bank to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of "Excluded Taxes" and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations of the type that such Lender has hereunder, or its deposits, reserves, other liabilities or capital attributable thereto

and the result of any of the foregoing shall be to increase the cost to the Administrative Agent or such Lender of making, continuing, converting or maintaining any Loan or of maintaining its obligation to make any such Loan or to increase the cost to the Administrative Agent, such Lender or Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by the Administrative Agent, such Lender or Issuing Bank hereunder, whether of principal, interest or otherwise, then the applicable Borrower will pay to the Administrative Agent, such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate the Administrative Agent, such Lender or Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered as reasonably determined by such Lender or such Issuing Bank (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of the applicable Lender or the applicable Issuing Bank under agreements having provisions similar to this Section 2.15 after consideration of such factors as such Lender or such Issuing Bank then reasonably determines to be relevant).

(b) If any Lender or Issuing Bank reasonably determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's

holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the applicable Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered as reasonably determined by such Lender or such Issuing Bank (which determination shall be made in good faith (and not on an arbitrary or capricious basis) and consistent with similarly situated customers of the applicable Lender or the applicable Issuing Bank under agreements having provisions similar to this Section 2.15 after consideration of such factors as such Lender or such Issuing Bank then reasonably determines to be relevant).

(c) A certificate of a Lender or an Issuing Bank setting forth in reasonable detail the computation of the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Company contemporaneously with any demand for payment hereunder and shall be conclusive absent clearly demonstrable error. The Company shall pay, or cause the other Borrowers to pay, such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within 30 days after receipt thereof.

(d) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; provided that the Company shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions if such Lender or such Issuing Bank fails to notify the Company within 90 days after it obtains actual knowledge (or, in the exercise of ordinary due diligence, should have obtained actual knowledge) and such Lender and such Issuing Bank shall only be entitled to receive such compensation for any losses incurred by it or amounts to which it would otherwise be entitled from and after the date 90 days prior to the date such Lender or such Issuing Bank provided notice thereof to the Company of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's claim for compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 90-day period referred to above shall be extended to include the period of retroactive effect thereof.

#### SECTION 2.16 Break Funding Payments.

(a) ~~In~~ **With respect to Term Benchmark Loans, in** the event of (a) the payment of any principal of any ~~Eurocurrency~~ **Term Benchmark** Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (b) the conversion of any ~~Eurocurrency~~ **Term Benchmark** Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any ~~Eurocurrency~~ **Term Benchmark** Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith), (d) the assignment of any ~~Eurocurrency~~ **Term Benchmark** Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Company pursuant to Section 2.19 or 9.02(e) or (e) the failure by any Borrower to make any payment of any Loan (or interest due thereof) denominated in a Foreign Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the relevant Borrower shall compensate each Lender for the loss (excluding loss of margin), cost and expense attributable to such event. ~~In the case of a Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate or the Adjusted EURIBO Rate, as applicable,~~

~~that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the relevant Agreed Currency of a comparable amount and period from other banks in the applicable offshore market for such Agreed Currency, whether or not such Eurocurrency Loan was in fact so funded; provided, however, that such Borrower shall not be required to compensate any Lender for any costs of terminating or liquidating any hedge or trading position (including any rate swap, basis swap, forward rate transaction, interest rate option, cap, collar or floor transaction, or any similar transaction).~~ A certificate of any Lender setting forth the computation in reasonable detail of any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the applicable Borrower contemporaneously with the demand for payment and shall be conclusive absent clearly demonstrable error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate free of clearly demonstrable error within 30 days after receipt thereof.

(b) With respect to RFR Loans, in the event of (i) the payment of any principal of any RFR Loan other than on the Interest Payment Date applicable thereto (including as a result of an Event of Default or as a result of any prepayment pursuant to Section 2.11), (ii) the failure to borrow or prepay any RFR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.11(b) and is revoked in accordance therewith), (iii) the assignment of any RFR Loan other than on the Interest Payment Date applicable thereto as a result of a request by the Company pursuant to Section 2.19 or 9.02(e) or (iv) the failure by the applicable Borrower to make any payment of any Loan or drawing under any Letter of Credit (or interest due thereof) denominated in a Foreign Currency on its scheduled due date or any payment thereof in a different currency, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth the computation in reasonable detail of any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the applicable Borrower contemporaneously with the demand for payment and shall be conclusive absent clearly demonstrable error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate free of clearly demonstrable error within 30 days after receipt thereof.

#### SECTION 2.17 Taxes.

(a) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made free and clear of and without deduction for any Taxes, except as required by applicable law. If any applicable law (as determined in the reasonable good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then, subject to Section 2.17(m) and without duplication, (i) the sum payable by the relevant Loan Party shall be increased as necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional sums payable under this Section) the Administrative Agent, Lender, or any other recipient of such payments (as the case may be) receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) such Loan Party shall make such deductions or withholdings and (iii) such Loan Party shall pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law; provided, however, in no event will a payment be increased under this paragraph (a) by reason of a deduction on account of Taxes imposed by Luxembourg, if on the date on which the payment falls due a deduction is required in respect of the Luxembourg law of 23 December 2005, as amended, introducing in Luxembourg a 20% withholding tax as regards Luxembourg resident individuals.

replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(q) Defined Terms. For purposes of this Section 2.17, the term “Lender” includes any Issuing Bank and the term “applicable law” includes FATCA.

SECTION 2.18 Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) Each Borrower shall make each payment or prepayment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to (i) in the case of payments denominated in Dollars ~~(other than in respect of Designated Loans)~~, 1:00 p.m., Chicago time and (ii) in the case of payments denominated in a Foreign Currency ~~or in respect of Designated Loans~~, 1:00 p.m., Local Time, in the city of the Administrative Agent’s ~~Eurocurrency~~ Foreign Currency Payment Office for such currency ~~or Designated Loan, as applicable~~, in each case on the date when due or the date fixed for any prepayment hereunder, in immediately available funds, without set-off, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made (i) in the same currency in which the applicable Credit Event was made (or where such currency has been converted to euro, in euro) and (ii) to the Administrative Agent at its offices at 10 South Dearborn Street, Chicago, Illinois 60603 or, in the case of a Credit Event denominated in a Foreign Currency ~~or a Designated Loan~~, the Administrative Agent’s ~~Eurocurrency~~ Foreign Currency Payment Office for such currency ~~or Designated Loan, as applicable~~, except payments to be made directly to an Issuing Bank or a Swingline Lender as expressly provided herein and except that payments pursuant to Sections 2.15, 2.16, 2.17 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments denominated in the same currency received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. Notwithstanding the foregoing provisions of this Section, if, after the making of any Credit Event in any Foreign Currency, currency control or exchange regulations are imposed in the country which issues such currency with the result that the type of currency in which the Credit Event was made (the “Original Currency”) no longer exists or any Borrower is not able to make payment to the Administrative Agent for the account of the Lenders in such Original Currency, then all payments to be made by such Borrower hereunder in such currency shall instead be made when due in Dollars in an amount equal to the Dollar Amount (as of the date of repayment) of such payment due, it being the intention of the parties hereto that the Borrowers take all risks of the imposition of any such currency control or exchange regulations.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If, except as expressly provided herein, any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other similarly situated Lender, then the Lender receiving such greater proportion shall purchase

(b) If (i) any Lender (or any of its Participants) requests compensation under Section 2.15, (ii) any Borrower is required to pay any Indemnified Taxes or additional amount to any Lender (or any of its Participants) or any Governmental Authority for the account of any Lender (or any of its Participants) pursuant to Section 2.13(e) or Section 2.17, (iii) any Lender (A) or its Lender Parent has become the subject of a Bail-In Action (or any case or other proceeding in which a Bail-In Action may occur), (B) or its Lender Parent (x) is rated lower than BBB- by S&P (or an applicable Affiliate thereof) and lower than Baa3 by Moody's (or an applicable Affiliate thereof) or (y) has no credit (or similar) rating in effect by at least one such organization, (C) is or becomes a Defaulting Lender, a Disqualified Institution or a Swiss Non-Qualifying Lender (but only if such cessation will otherwise cause a breach of the Swiss Ten Non-Bank Rule or the Swiss Twenty Non-Bank Rule) or (D) rejects the designation of an Agreed Currency or of a Foreign Subsidiary as an Eligible Subsidiary if, in each case, such Agreed Currency or designation of a Foreign Subsidiary as an Eligible Subsidiary has otherwise been approved by the Required Revolving Lenders, (iv) any Lender shall determine that any law, regulation or treaty or directive, or any change therein or in the interpretation or application thereof, shall make it unlawful for such Lender to make or maintain any **Eurocurrency Term Benchmark** Loans as contemplated by this Agreement, (v) any Lender shall enter into, or purport to enter into, any assignment or participation with a Disqualified Institution in violation of this Agreement or (vi) any Lender that is a Swingline Lender or an Issuing Bank shall (A) resign in its capacity as such, (B) fail to promptly approve the assignment of a Commitment that the Administrative Agent has approved as contemplated by clause (i) of the proviso below or (C) fail to promptly approve a New Lender that the Administrative Agent has approved in the case of an increase in the Commitments as contemplated by Section 2.20, then the Company may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or 2.17) and obligations under the Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) such Lender is reasonably acceptable to the Administrative Agent (and if a Revolving Commitment is being assigned, the Issuing Banks and the Swingline Lenders) and (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements and Swingline Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts). Each party hereto agrees that (1) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Company, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (2) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto. Notwithstanding any other provision of this Agreement to the contrary, if a Lender has become the subject of a Bail-In Action (or any case or other proceeding in which a Bail-In Action may occur) (each, a "Bail-In Lender"), then the Company may terminate such Bail-In Lender's Commitment hereunder, provided that (A) no Default or Event of Default shall have occurred and be continuing at the time of such Commitment termination, (B) in the case of a Bail-In Lender, the Company shall concurrently terminate the Commitment of each other Lender that is a Bail-In Lender at such time, (C) the Administrative Agent and the Required Lenders shall have consented to each such Commitment termination (such consents not to be unreasonably withheld, conditioned or delayed, but may include consideration of the adequacy of the liquidity of the Company and its Subsidiaries) and (D) such Bail-In Lender shall have been paid all amounts then due to it under this Agreement and each other Loan Document (which, for the avoidance of doubt, the respective Borrowers may pay in connection with any such termination without making ratable

Adverse Effect shall be true and correct in all respects) as of such earlier date and (4) as of the date of the borrowing of such Acquisition-Related Incremental Term Loans, customary “Sungard” representations and warranties (with such representations and warranties to be reasonably determined by the Lenders providing such Acquisition-Related Incremental Term Loans) shall be true and correct in all material respects (except that any representation and warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) immediately prior to, and immediately after giving effect to, the incurrence of such Acquisition-Related Incremental Term Loans, except to the extent any such representation and warranty specifically refers to an earlier date, in which case such representation and warranty shall be true and correct in all material respects (except that any representation and warranty that is qualified by materiality or Material Adverse Effect shall be true and correct in all respects) as of such earlier date and (y) clause (i)(B) of this sentence shall be deemed to have been satisfied so long as the Parent shall be in compliance (on a pro forma basis) with the covenants contained in Sections 6.01 and 6.02 as of the date of execution of the related Limited Conditionality Acquisition Agreement by the parties thereto. On the effective date of any increase in the Revolving Commitments or any Incremental Term Loans being made, (i) each relevant Increasing Lender and Augmenting Lender shall make available to the Administrative Agent such amounts in immediately available funds as the Administrative Agent shall determine, for the benefit of the other Lenders, as being required in order to cause, after giving effect to such increase and the use of such amounts to make payments to such other Lenders, each Lender’s portion of the outstanding Revolving Loans of all the Lenders to equal its Applicable Percentage of such outstanding Revolving Loans, and (ii) the Borrowers shall be deemed to have repaid and reborrowed all outstanding Revolving Loans as of the date of any increase in the Revolving Commitments (with such reborrowing to consist of the Types of Revolving Loans, with related Interest Periods if applicable, specified in a notice delivered by the applicable Borrower, or the Company on behalf of the applicable Borrower, in accordance with the requirements of Section 2.03). The deemed payments made pursuant to clause (ii) of the immediately preceding sentence shall be accompanied by payment of all accrued interest on the amount prepaid and, in respect of each **Eurocurrency Term Benchmark** Loan, shall be subject to indemnification by the Borrowers pursuant to the provisions of Section 2.16 if the deemed payment occurs other than on the last day of the related Interest Periods. The Incremental Term Loans (a) shall rank pari passu in right of payment with the Revolving Loans and the initial Term Loans, (b) shall not mature earlier than the latest Maturity Date in effect on the date of incurrence of such Incremental Term Loans (but may have amortization prior to such date) and (c) shall be treated substantially the same as (and in any event no more favorably than) the Revolving Loans and the initial Term Loans; provided that (i) the terms and conditions applicable to any tranche of Incremental Term Loans maturing after the latest Maturity Date in effect on the date of incurrence of such Incremental Term Loans may provide for material additional or different financial or other covenants or prepayment requirements applicable only during periods after the latest Maturity Date in effect on the date of incurrence of such Incremental Term Loans and (ii) the Incremental Term Loans may be priced differently than the Revolving Loans and the initial Term Loans. Incremental Term Loans may be made hereunder pursuant to an amendment or restatement (an “Incremental Term Loan Amendment”) of this Agreement and, as appropriate, the other Loan Documents, executed by the Borrowers, each Increasing Lender participating in such tranche, each Augmenting Lender participating in such tranche, if any, and the Administrative Agent. The Incremental Term Loan Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section 2.20. Nothing contained in this Section 2.20 shall constitute, or otherwise be deemed to be, a commitment on the part of any Lender to increase its Revolving Commitment hereunder, or provide Incremental Term Loans, at any time.

**SECTION 2.21 Market Disruption.** Notwithstanding the satisfaction of all conditions referred to in Article II and Article IV with respect to any Credit Event to be effected in any Foreign Currency, if (i) there shall occur on or prior to the date of such Credit Event any change in national or international financial, political or economic conditions or currency exchange rates or exchange controls which would in the reasonable opinion of the Administrative Agent, the relevant Issuing

Bank (if such Credit Event is a Letter of Credit) or the Required Revolving Lenders make it impracticable for the **Eurocurrency Term Benchmark** Borrowings or Letters of Credit comprising such Credit Event to be denominated in the Agreed Currency specified by the applicable Borrower or (ii) a Dollar Amount of such currency is not readily calculable, then the Administrative Agent shall forthwith give notice thereof to such Borrower, the Lenders and, if such Credit Event is a Letter of Credit, the relevant Issuing Bank, and such Credit Events shall not be denominated in such Agreed Currency but shall, except as otherwise set forth in Section 2.07, be made on the date of such Credit Event in Dollars, (a) if such Credit Event is a Borrowing, in an aggregate principal amount equal to the Dollar Amount of the aggregate principal amount specified in the related request for a Credit Event or Interest Election Request, as the case may be, as ABR Loans, unless such Borrower notifies the Administrative Agent prior to the occurrence of such Credit Event that (i) it elects not to borrow on such date or (ii) it elects to borrow on such date in a different Agreed Currency, as the case may be, in which the denomination of such Loans would in the reasonable opinion of the Administrative Agent and the Required Revolving Lenders be practicable and in an aggregate principal amount equal to the Dollar Amount of the aggregate principal amount specified in the related request for a Credit Event or Interest Election Request, as the case may be or (b) if such Credit Event is a Letter of Credit, in a face amount equal to the Dollar Amount of the face amount specified in the related request or application for such Letter of Credit, unless such Borrower notifies the Administrative Agent prior to the occurrence of such Credit Event that (i) it elects not to request the issuance of such Letter of Credit on such date or (ii) it elects to have such Letter of Credit issued on such date in a different Agreed Currency, as the case may be, in which the denomination of such Letter of Credit would in the reasonable opinion of the Issuing Bank which has issued such Letter of Credit, the Administrative Agent and the Required Revolving Lenders be practicable and in face amount equal to the Dollar Amount of the face amount specified in the related request or application for such Letter of Credit, as the case may be.

**SECTION 2.22 Judgment Currency.** If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from any Borrower hereunder in the currency expressed to be payable herein (the “specified currency”) into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent’s main New York City office on the Business Day preceding that on which final, non-appealable judgment is given. The obligations of each Borrower in respect of any sum due to any Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent (as the case may be) may in accordance with normal, reasonable banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the specified currency, each Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (a) the sum originally due to any Lender or the Administrative Agent, as the case may be, in the specified currency and (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender under Section 2.18, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to such Borrower.

**SECTION 2.23 Designation of Affiliate Borrowers.** On the Effective Date, and subject to the satisfaction of the applicable conditions in Article IV hereto, the Initial Affiliate Borrower shall be an Affiliate Borrower hereunder until the Company shall have executed and delivered to the Administrative Agent an Affiliate Borrowing Termination with respect to the Initial Affiliate Borrower and complied with the terms and conditions of Section 5.10, whereupon the Initial Affiliate Borrower shall cease to be an Affiliate Borrower hereunder. After the Effective Date, the Company

financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments, this Agreement and any other Loan Documents, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent fees or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

## ARTICLE IX.

### MISCELLANEOUS

#### SECTION 9.01 Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone or other means permitted hereunder (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to any Loan Party, to Pentair Finance S.à r.l. (in care of Pentair, Inc.), 5500 Wayzata Boulevard, Suite 900, Golden Valley, MN 55416-1261, Attention: Bob Fishman (Email Bob.Fishman@Pentair.com; Telephone No. (763) 656-1845, with a copy to, in the case of any notice of Default or Event of Default, Pentair Finance S.à r.l. (in care of Pentair, Inc.), 5500 Wayzata Boulevard, Suite 900, Golden Valley, MN 55416-1261, Attention: Karla Robertson (Telecopy No. (763) 656-5403; Email Karla.Robertson@Pentair.com; Telephone No. (763) 545-1730);

(ii) if to the Administrative Agent, (A) in the case of Borrowings denominated in Dollars ~~(other than Designated Loans)~~, to JPMorgan Chase Bank, N.A., JPMorgan Loan Services, 10 South Dearborn, Floor L2, Chicago, Illinois 60603, Attention: Steven Jakubowski (Telecopy No. 844-490-5663; Email jpm.agency.cri@jpmorgan.com), (B) in the case of Borrowings denominated in Foreign Currencies ~~and Designated Loans~~, to J.P. Morgan AG, 25 Bank Street, Canary Wharf, London E14 5JP, Attention of The Manager, Loan & Agency Services (Telecopy No. 44 207 777 2360; Email emea.london.agency@jpmorgan.com), (C) for all other notices, to JPMorgan Chase Bank, N.A., 8181 Communications Pkwy, Building B, Floor 6, Plano, Texas 75024, Attention of Peter Predun (Email peter.predun@jpmorgan.com) and (D) in the case of a notification of the DQ List, to JPMDQ\_Contact@jpmorgan.com;

(iii) if to an Issuing Bank, to it at (a) JPMorgan Chase Bank, N.A., JPMorgan Loan Services, 10 South Dearborn, Floor L2, Chicago, Illinois 60603, Attention: Chicago LC Agency Activity Team (Email Chicago.lc.agency.closing.team@jpmorgan.com; Chicago.lc.agency.activity.team@jpmorgan.com) or (b) in the case of any other Issuing Bank, to it at the address and telecopy number specified from time to time by such Issuing Bank to the Company and the Administrative Agent;

(iv) if to JPMorgan in its capacity as a Swingline Lender, (A) in the case of Swingline Loans denominated in Dollars ~~(other than Designated Swingline Loans)~~, to it at JPMorgan Chase Bank, N.A., 10 South Dearborn, Floor L2, Chicago, Illinois 60603, Attention: Steven Jakubowski (Telecopy No. 888-303-9732; Email

jpm.agency.cri@jpmorgan.com) and (B) in the case of Swingline Loans denominated in Foreign Currencies ~~and Designated Swingline Loans~~, to it at J.P. Morgan AG, 25 Bank Street, Canary Wharf, London E14 5JP, Attention of The Manager, Loan & Agency Services (Telecopy No. 44 207 777 2360; Email emea.london.agency@jpmorgan.com) or (b) in the case of any other Swingline Lender, to it at the address and telecopy number specified from time to time by such Swingline Lender to the Company and the Administrative Agent; and

(v) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through Approved Electronic Platforms, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by using Approved Electronic Platforms pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its email address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

#### SECTION 9.02 Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Except as provided in Section 2.25 with respect to the extension of the Maturity Date, or as provided in Section 2.20 with respect to an Incremental Term Loan Amendment or as provided in Section 2.14(b), and Section 2.14(c) ~~and Section 2.14(d)~~ or as provided in Section 9.02(e), neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers and the Required Lenders or by the Borrowers and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender (provided that an amendment, modification, waiver or consent with respect to any condition precedent, covenant, mandatory prepayment pursuant to Section 2.11.2, Event of Default or Default shall not constitute an increase in the Commitment of any Lender), (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon (other than waivers or amendments with respect to the application of a default rate of interest pursuant to Section 2.13(b)), or reduce any fees payable hereunder, without the written consent of each Lender directly and adversely affected thereby (except that any amendment or modification of the financial covenants or ratios in this Agreement (or defined terms used in the financial covenants or ratios in this Agreement) shall not constitute a reduction in the rate of interest or fees for purposes of this clause (ii)), (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly and adversely affected thereby (other than any reduction of the amount of, or any extension of the payment date for, the mandatory prepayments required under Section 2.11.2, in each case which shall only require the approval of the Required Lenders, and it being further understood that an amendment, modification, waiver or consent with respect to any condition precedent, covenant, mandatory prepayment pursuant to Section 2.11.2, Event of Default or Default in each case shall not constitute such a postponement, reduction, waiver or excusal), (iv) change Section 2.09(d) or Section 2.18(b) or (c) in a manner that would alter the ratable reduction of Commitments or pro rata sharing of payments required thereby, without the written consent of each Lender directly and adversely affected thereby, (v) change the payment waterfall provisions of Section 2.24(b) without the written consent of each Lender, (vi) (x) waive any condition set forth in Section 4.02 in respect of the making of a Revolving Loan without the written consent of the Required Revolving Lenders or (y) waive any condition set forth in Section 4.02 in respect of the making of a Term Loan without the written consent of the Required Term Lenders, (vii) change any of the provisions of this Section or the definition of “Required Lenders”, “Required Revolving Lenders” or “Required Term Lenders” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender directly affected thereby (it being understood that, solely with the consent of the parties prescribed by Section 2.20 to be parties to an Incremental Term Loan Amendment, Incremental Term Loans may be included in the determination of Required Lenders on substantially the same basis as the Commitments and the Revolving Loans are included on the Effective Date) or (viii) release the Parent from its obligations under Article X (other than with respect to any Borrower ceasing to be a Borrower in accordance with this Agreement) without the written consent of each Lender; provided further that (1) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, any Issuing Bank or any Swingline Lender hereunder without the prior written consent of the Administrative Agent, such Issuing Bank or such Swingline Lender, as the case may be (it being understood that any change to Section 2.24 shall require the consent of the Administrative Agent, the Issuing Banks and the Swingline Lenders) and (2) any amendment or waiver that by its terms affects the rights or duties of Lenders holding Loans or Commitments of a particular Class (but not the Lenders holding Loans or Commitments of any other Class) will require only the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto if such Class of Lenders were the only Class of Lenders. Notwithstanding the foregoing, (A) no consent with respect to any amendment, waiver or other modification of this Agreement shall be required of any Defaulting Lender, except with respect to any amendment, waiver or other modification referred to in clause (i), (ii) or (iii) of the first proviso of this paragraph and then only in the event such Defaulting Lender shall be directly and adversely affected by such amendment, waiver or other modification, and (B) as to any amendment, amendment

Each Guarantor further agrees that its obligations hereunder shall constitute a continuing and irrevocable guarantee of all Guaranteed Obligations now or hereafter existing and shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Guaranteed Obligation (including a payment effected through exercise of a right of setoff) is rescinded, or is or must otherwise be restored or returned by the Administrative Agent, the Issuing Bank or any Lender (or any of its Affiliates) upon the insolvency, examinership, bankruptcy or reorganization of any Subsidiary or otherwise (including pursuant to any settlement entered into by a holder of Guaranteed Obligations in its discretion).

In furtherance of the foregoing and not in limitation of any other right which the Administrative Agent, any Issuing Bank or any Lender (or any of its Affiliates) may have at law or in equity against any Guarantor by virtue hereof, upon the failure of any Subsidiary to pay any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will, promptly but in any event within two (2) Business Days following receipt of written demand by the Administrative Agent, any Issuing Bank or any Lender (or any of its Affiliates), forthwith pay, or cause to be paid, to the Administrative Agent, any Issuing Bank or any Lender (or any of its Affiliates) in cash an amount equal to the unpaid principal amount of the Guaranteed Obligations then due, together with accrued and unpaid interest thereon. Each Guarantor further agrees that if payment in respect of any Guaranteed Obligation shall be due in a currency other than Dollars and/or at a place of payment other than New York, Chicago or any other **EurocurrencyForeign Currency** Payment Office and if, by reason of any Change in Law, disruption of currency or foreign exchange markets, war or civil disturbance or other similar event, payment of such Guaranteed Obligation in such currency or at such place of payment shall be impossible or, in the reasonable judgment of the Administrative Agent, any Issuing Bank or any Lender (or any of its Affiliates), disadvantageous to the Administrative Agent, any Issuing Bank or any Lender (or any of such Lender's Affiliates) in any material respect, then, at the election of the Administrative Agent, such Guarantor shall make payment of such Guaranteed Obligation in Dollars (based upon the Dollar Amount of such Specified Ancillary Obligation on the date of payment) and/or in New York, Chicago or such other **EurocurrencyForeign Currency** Payment Office as is designated by the Administrative Agent or such Lender and, as a separate and independent obligation, shall indemnify the Administrative Agent, any Issuing Bank and any Lender (and such Lender's Affiliates), as applicable, against any losses or reasonable out-of-pocket expenses that it shall sustain as a result of such alternative payment.

Upon payment by any Guarantor of any sums as provided above, all rights of such Guarantor against any Subsidiary arising as a result thereof by way of right of subrogation or otherwise shall in all respects be subordinated and junior in right of payment to the prior indefeasible payment in full in cash of all the Guaranteed Obligations owed by such Subsidiary.

Nothing shall discharge or satisfy the liability of any Guarantor hereunder except the full performance and payment in cash of the Guaranteed Obligations.

Notwithstanding the foregoing or any other provision of this Agreement to the contrary, the Existing Swiss Guarantor (a) is hereby released from all of its "Obligations" as defined in the Existing Credit Agreement, (b) shall not have any Obligations in connection with this Agreement or any other Loan Document and (c) shall not constitute a Guarantor or a party to this Agreement.

SECTION 10.02 Swiss Limitation Language for Swiss Loan Parties.

If and to the extent that a payment in fulfilling the liabilities under Section X, under any joint and several liabilities or that the use of the proceeds from the enforcement of a security interest of any Swiss Loan Party would, at the time payment is due or the security interest is enforced, under Swiss law and practice (inter alia, prohibiting capital repayments or restricting profit distributions) not be permitted, in particular if and to the extent that such Swiss Loan Party guarantees obligations other

EXHIBIT D-1  
[FORM OF]  
REVOLVING CREDIT NOTE

December 16, 2021

FOR VALUE RECEIVED, the undersigned, [PENTAIR FINANCE S.À R.L., a Luxembourg private limited liability company (*Société à responsabilité limitée*), having its registered office at 26, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*R.C.S. Luxembourg*) under number B 166305][PENTAIR, INC., a Minnesota corporation] (the "Borrower"), HEREBY PROMISES TO PAY TO [LENDER] (the "Lender") the outstanding principal balance of the Lender's Revolving Loans made to the Borrower, together with interest thereon, at the rate or rates, in the amounts and at the time or times set forth in the Amended and Restated Credit Agreement (as the same may be amended, restated, supplemented and/or otherwise modified from time to time, the "Credit Agreement"), dated as of December 16, 2021, by and among Pentair Finance S.à r.l., Pentair plc, Pentair, Inc., the other Affiliate Borrowers from time to time party thereto, the Lenders party thereto, the Documentation Agents, the Syndication Agents and JPMorgan Chase Bank, N.A., as the Administrative Agent, in each case at such place as the Administrative Agent may specify from time to time, in lawful money of the United States in immediately available funds.

Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

The Revolving Loans evidenced by this Note are prepayable in the amounts, and on the dates, set forth in the Credit Agreement. This Note is one of the Notes under, and as such term is defined in, the Credit Agreement, and is subject to, and should be construed in accordance with, the provisions thereof, and is entitled to the benefits set forth in the Loan Documents.

The Lender is hereby authorized to record on the schedule annexed hereto and any continuation sheets which the Lender may attach thereto (a) the date and amount of each Revolving Loan made by such Lender, (b) the character of each Revolving Loan as one or more ABR Borrowings, one or more **Eurocurrency Term Benchmark** Borrowings, **one or more RFR Borrowings** or a combination thereof, (c) the Interest Period **and Adjusted LIBO Rate** applicable to each **Eurocurrency Term Benchmark** Borrowing, and (d) the date and amount of each conversion of, and each payment or prepayment of principal of, each Revolving Loan. No failure to so record nor any error in so recording shall affect the obligation of the Borrower to repay the Revolving Loans, together with interest thereon, as provided in the Credit Agreement, and the outstanding principal balance of the Revolving Loans as set forth in such schedule shall be prima facie evidence of the existence and amounts of the obligations recorded therein.

Except as specifically otherwise provided in the Credit Agreement, the Borrower hereby waives presentment, demand, notice of dishonor, protest, notice of protest and all other demands, protests and notices in connection with the execution, delivery, performance, collection and enforcement of this Note.

**THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.**

[PENTAIR FINANCE S.À R.L.]  
[PENTAIR, INC.]

By: \_\_\_\_\_

EXHIBIT D-2  
[FORM OF]  
TERM LOAN NOTE

December 16, 2021

FOR VALUE RECEIVED, the undersigned, PENTAIR FINANCE S.À R.L., a Luxembourg private limited liability company (*Société à responsabilité limitée*), having its registered office at 26, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*R.C.S. Luxembourg*) under number B 166305 (the "Borrower"), HEREBY PROMISES TO PAY TO [LENDER] (the "Lender") the outstanding principal balance of the Lender's Term Loans made to the Borrower, together with interest thereon, at the rate or rates, in the amounts and at the time or times set forth in the Amended and Restated Credit Agreement (as the same may be amended, restated, supplemented and/or otherwise modified from time to time, the "Credit Agreement"), dated as of December 16, 2021, by and among Pentair Finance S.à r.l., Pentair plc, Pentair, Inc., the other Affiliate Borrowers from time to time party thereto, the Lenders party thereto, the Documentation Agents, the Syndication Agents and JPMorgan Chase Bank, N.A., as the Administrative Agent, in each case at such place as the Administrative Agent may specify from time to time, in lawful money of the United States in immediately available funds.

Capitalized terms used herein which are not otherwise defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

The Term Loans evidenced by this Note are prepayable in the amounts, and on the dates, set forth in the Credit Agreement. This Note is one of the Notes under, and as such term is defined in, the Credit Agreement, and is subject to, and should be construed in accordance with, the provisions thereof, and is entitled to the benefits set forth in the Loan Documents.

The Lender is hereby authorized to record on the schedule annexed hereto and any continuation sheets which the Lender may attach thereto (a) the date and amount of each Term Loan made by such Lender, (b) the character of each Term Loan as one or more ABR Borrowings, one or more ~~Eurocurrency~~ Term Benchmark Borrowings, one or more RFR Borrowings, or a combination thereof, (c) the Interest Period ~~and Adjusted LIBO Rate~~ applicable to each ~~Eurocurrency~~ Term Benchmark Borrowing, and (d) the date and amount of each conversion of, and each payment or prepayment of principal of, each Term Loan. No failure to so record nor any error in so recording shall affect the obligation of the Borrower to repay the Term Loans, together with interest thereon, as provided in the Credit Agreement, and the outstanding principal balance of the Term Loans as set forth in such schedule shall be prima facie evidence of the existence and amounts of the obligations recorded therein.

Except as specifically otherwise provided in the Credit Agreement, the Borrower hereby waives presentment, demand, notice of dishonor, protest, notice of protest and all other demands, protests and notices in connection with the execution, delivery, performance, collection and enforcement of this Note.

**THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.**

PENTAIR FINANCE S.À R.L.

By: \_\_\_\_\_  
Name:  
Title:

EXHIBIT G-1

FORM OF BORROWING REQUEST

JPMorgan Chase Bank, N.A.,  
as Administrative Agent  
for the Lenders referred to below

[10 South Dearborn  
Chicago, Illinois 60603

Attention: [ ]  
Facsimile: [ ]<sup>19</sup>

With a copy to:

[ ]  
[ ]  
Attention: [ ]  
Facsimile: [ ]

Re: Pentair Finance S.à r.l.

[Date]

Ladies and Gentlemen:

Reference is hereby made to the Amended and Restated Credit Agreement dated as of December 16, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Pentair Finance S.à r.l., a Luxembourg private limited liability company (*Société à responsabilité limitée*), having its registered office at 26, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*R.C.S. Luxembourg*) under number B 166305 (the “Company”), Pentair plc (the “Parent”), Pentair, Inc. (the “Initial Affiliate Borrower”), the other Affiliate Borrowers from time to time party thereto, the institutions from time to time parties thereto as Lenders (the “Lenders”) and JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent for itself and the other Lenders (the “Administrative Agent”). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement. The [undersigned Borrower][Company, on behalf of [Affiliate Borrower],] hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that it requests a Borrowing under the Credit Agreement, and in that connection the [undersigned Borrower][Company, on behalf of [Affiliate Borrower],] specifies the following information with respect to such Borrowing requested hereby:

1. Name of Borrower: \_\_\_\_\_
2. The requested Borrowing is a [Revolving][Term Loan] Borrowing
3. Aggregate principal amount of Borrowing:<sup>20</sup> \_\_\_\_\_
4. Date of Borrowing (which shall be a Business Day): \_\_\_\_\_

<sup>19</sup> If request is in respect of Revolving Loans in a Foreign Currency **or a Designated Loan**, please replace this address with the London address from Section 9.01(a)(ii).

<sup>20</sup> Not less than applicable amounts specified in Section 2.02(c).

5. Type of Borrowing (ABR, Term Benchmark or EurocurrencyRFR): \_\_\_\_\_
6. Interest Period and the last day thereof (if a EurocurrencyTerm Benchmark Borrowing):<sup>21</sup>  
\_\_\_\_\_
7. Agreed Currency: \_\_\_\_\_
8. Location and number of the Borrower's account or any other account agreed upon by the Administrative Agent and the Borrower to which proceeds of Borrowing are to be disbursed:  
\_\_\_\_\_

[Signature Page Follows]

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<sup>21</sup> Which must comply with the definition of "Interest Period" and end not later than the applicable Maturity Date.

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EXHIBIT G-2

FORM OF INTEREST ELECTION REQUEST

JPMorgan Chase Bank, N.A.,  
as Administrative Agent  
for the Lenders referred to below

[10 South Dearborn  
Chicago, Illinois 60603

Attention: [\_\_\_\_\_] ]  
Facsimile: ([\_\_\_\_\_] [\_\_\_\_\_] - [\_\_\_\_\_] )<sup>23</sup>

Re: Pentair Finance S.à r.l.

[Date]

Ladies and Gentlemen:

Reference is hereby made to the Amended and Restated Credit Agreement dated as of December 16, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Pentair Finance S.à r.l., a Luxembourg private limited liability company (*Société à responsabilité limitée*), having its registered office at 26, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*R.C.S. Luxembourg*) under number B 166305 (the "Company"), Pentair plc (the "Parent"), Pentair, Inc. (the "Initial Affiliate Borrower"), the other Affiliate Borrowers from time to time party thereto, the institutions from time to time parties thereto as Lenders (the "Lenders") and JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent for itself and the other Lenders (the "Administrative Agent"). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement. The [undersigned Borrower][Company, on behalf of [Affiliate Borrower],] hereby gives you notice pursuant to Section 2.08 of the Credit Agreement that it requests to convert an existing Borrowing under the Credit Agreement, and in that connection the [undersigned Borrower][Company, on behalf of [Affiliate Borrower],] specifies the following information with respect to such conversion requested hereby:

1. List Borrower, date, Type, Class, principal amount, Agreed Currency and Interest Period (if applicable) of existing Borrowing: \_\_\_\_\_
2. Aggregate principal amount of resulting Borrowing: \_\_\_\_\_
3. Effective date of interest election (which shall be a Business Day): \_\_\_\_\_
4. Type of Borrowing (ABR, **Term Benchmark** or **EurocurrencyRFR**): \_\_\_\_\_
5. Interest Period and the last day thereof (if a **EurocurrencyTerm Benchmark** Borrowing):<sup>24</sup>  
\_\_\_\_\_
6. Agreed Currency: \_\_\_\_\_

<sup>23</sup> If request is in respect of Revolving Loans in a Foreign Currency **or a Designated Loan**, please replace this address with the London address from Section 9.01(a)(ii).

<sup>24</sup> Which must comply with the definition of "Interest Period" and end not later than the applicable Maturity Date.



## DESCRIPTION OF ORDINARY SHARES

The following description of the material terms of ordinary shares of Pentair plc (“Pentair”) is based on the provisions of the Pentair articles of association (the “Pentair Articles”). This description is not complete and is subject to the applicable provisions of Irish law and the Pentair Articles, which are filed as an exhibit to this Annual Report on Form 10-K.

### Capital Structure

The current authorized share capital of Pentair is €40,000 and \$4,260,000 divided into 40,000 ordinary shares with a nominal value of €1.00 per share and 426,000,000 ordinary shares with a nominal value of \$0.01 per share. The authorized share capital includes 40,000 shares with a nominal value of €1 per share, which was required on incorporation in order to satisfy statutory requirements for all Irish public limited companies commencing operations.

Pentair may issue shares subject to the maximum authorized share capital contained in the Pentair Articles. The authorized share capital may be increased by a resolution approved by a two-thirds majority of the votes of Pentair’s shareholders cast at a general meeting (referred to as a “variation resolution”) or reduced by a resolution approved by a simple majority of the votes of Pentair’s shareholders cast at a general meeting (referred to under Irish law as an “ordinary resolution”). The shares comprising the authorized share capital of Pentair may be divided into shares of such nominal value as the resolution shall prescribe. As a matter of Irish company law, the directors of a company may issue new ordinary shares without shareholder approval once authorized to do so by the articles of association or by an ordinary resolution adopted by the shareholders at a general meeting. In accordance with current customary practice in Ireland, Pentair sought, and received, shareholder approval at Pentair’s 2022 annual general meeting of shareholders to authorize the board of directors to issue up to a maximum of 33% of Pentair’s issued ordinary share capital as of March 18, 2022 (an aggregate nominal amount of \$545,819 or 54,581,892 shares), for a period to expire 18 months from the approval, or November 18, 2023.

The rights and restrictions to which the ordinary shares are subject are prescribed in the Pentair Articles.

### Preemption Rights

Under Irish law certain statutory preemption rights apply automatically in favor of shareholders where shares are to be issued for cash. However, Pentair initially opted out of these preemption rights in the Pentair Articles as permitted under Irish company law. Because Irish law requires this opt-out to be renewed at least every five years by a resolution approved by not less than 75% of the votes of the shareholders of Pentair cast at a general meeting (referred to under Irish law as a “special resolution”), the Pentair Articles provide that this opt-out must be so renewed. If the opt-out is not renewed, shares issued for cash must be offered to existing shareholders of Pentair on a pro rata basis to their existing shareholding before the shares can be issued to any new shareholders. The statutory preemption rights do not apply where shares are issued for non-cash consideration (such as in a stock-for-stock acquisition) and do not apply to the issue of non-equity shares (that is, shares that have the right to participate only up to a specified amount in any income or capital distribution) or where shares are issued pursuant to an employee option or similar equity plan. In accordance with current customary practice in Ireland, Pentair sought, and received, shareholder approval at Pentair’s 2022 annual general meeting of shareholders to authorize Pentair to opt out of preemption rights with respect to the allotment of equity securities up to a maximum of 10% of Pentair’s issued ordinary share capital as of March 18, 2022 (an aggregate nominal amount of \$165,400 or 16,539,967 shares), provided that any amount above 5% of Pentair’s issued ordinary share capital as of March 18, 2022 (an aggregate nominal amount of \$82,700 or 8,269,984 shares) is to be used only for the purpose of an acquisition or a specific capital investment. This approval will expire 18 months from the date of the approval, or November 18, 2023.

### Dividends

Under Irish law, dividends and distributions may only be made from distributable reserves. Distributable reserves generally means accumulated realized profits less accumulated realized losses and includes reserves created by way of capital reduction. In addition, no distribution or dividend may be made unless the net assets of Pentair are equal to, or in excess of, the aggregate of Pentair’s called up share capital plus undistributable reserves and the distribution does not reduce Pentair’s net assets below such aggregate. Undistributable reserves include undenominated capital and the amount by which Pentair’s accumulated unrealized profits, so far as not previously utilized by any capitalization, exceed Pentair’s accumulated unrealized losses, so far as not previously written off in a reduction or reorganization of capital.

The determination as to whether or not Pentair has sufficient distributable reserves to fund a dividend must be made by reference to “relevant financial statements” of Pentair. The “relevant financial statements” will be either the last set of unconsolidated annual audited financial statements or other financial statements properly prepared in accordance with the Companies Act, which give a “true and fair view” of Pentair’s unconsolidated financial position and accord with accepted accounting practice. The relevant financial statements must be filed in the Companies Registration Office (the official public registry for companies in Ireland).

The Pentair Articles authorize the directors to declare dividends to the extent they appear justified by profits without shareholder approval. The Pentair board of directors may also recommend a dividend to be approved and declared by the Pentair shareholders at a general meeting. The Pentair board of directors may direct that the payment be made by distribution of assets, shares or cash and no dividend issued may exceed the amount recommended by the directors. Dividends may be declared and paid in the

form of cash or non-cash assets and may be paid in U.S. dollars or any other currency. All holders of ordinary shares of Pentair will participate pro rata in respect of any dividend which may be declared in respect of ordinary shares by Pentair.

The directors of Pentair may deduct from any dividend payable to any shareholder any amounts payable by such shareholder to Pentair in relation to the ordinary shares of Pentair.

#### **Bonus Shares**

The Pentair Articles authorize the Pentair board of directors to capitalize any amount credited to any reserve, including undenominated capital, or credited to the profit and loss account, and use such amount for the issuance to shareholders of shares as fully paid bonus shares on the same basis of entitlement as would apply in respect of a dividend distribution.

#### **Share Repurchases, Redemptions and Conversions**

##### *Overview*

The Pentair Articles provide that unless the Board specifically elects to treat such acquisition as a purchase for the purposes of the Irish Companies Act 2014 (as amended) (the “Companies Act”), any ordinary shares which Pentair has agreed to acquire shall be deemed to be a redeemable share on, and from the time of, existence or creation of an agreement, transaction, or trade between Pentair and any third party pursuant to which Pentair acquires, or will acquire, ordinary shares, or an interest in ordinary shares, from such third party. Accordingly, for Irish company law purposes, the repurchase of ordinary shares by Pentair will technically be effected as a redemption of those shares as described below under “Repurchases and Redemptions by Pentair”. If the Pentair Articles did not contain such provision, all repurchases by Pentair would be subject to many of the same rules that apply to purchases of Pentair ordinary shares by subsidiaries described below under “Purchases by Subsidiaries of Pentair” including the shareholder approval requirements described below and the requirement that any on-market purchases be effected on a “recognized stock exchange”. Neither Irish law nor any constituent document of Pentair places limitations on the right of nonresident or foreign owners to vote or hold Pentair ordinary shares. Except where otherwise noted, references elsewhere in this document to repurchasing or buying back ordinary shares of Pentair refer to the redemption of ordinary shares by Pentair or the purchase of ordinary shares of Pentair by a subsidiary of Pentair, in each case in accordance with the Pentair Articles and Irish company law as described below.

##### *Repurchases and Redemptions by Pentair*

Under Irish law, a company may issue redeemable shares and redeem them out of distributable reserves or the proceeds of a new issue of shares for that purpose. Pentair may only issue redeemable shares if the nominal value of the issued share capital that is not redeemable is not less than 10% of the nominal value of the total issued share capital of Pentair. All redeemable shares must also be fully-paid and the terms of redemption of the shares must provide for payment on redemption. Redeemable shares may, upon redemption, be canceled or held in treasury. Based on the provision of the Pentair Articles described above, shareholder approval will not be required to redeem Pentair ordinary shares.

Pentair may also be given an additional general authority by its shareholders to purchase its own shares on-market which would take effect on the same terms and be subject to the same conditions as applicable to purchases by Pentair’s subsidiaries as described below.

Repurchased and redeemed shares may be canceled or held as treasury shares. The nominal value of treasury shares held by Pentair at any time must not exceed 10% of the nominal value of the issued share capital of Pentair. Pentair may not exercise any voting rights in respect of any shares held as treasury shares. Treasury shares may be canceled by Pentair or re-issued subject to certain conditions.

##### *Purchases by Subsidiaries of Pentair*

Under Irish law, an Irish or non-Irish subsidiary may purchase Pentair ordinary shares either as overseas market purchases or off-market purchases. For a subsidiary of Pentair to make overseas market purchases of Pentair ordinary shares, the shareholders of Pentair must provide general authorization for such purchase by way of ordinary resolution. However, as long as this general authority has been granted, no specific shareholder authority for a particular overseas market purchase by a subsidiary of Pentair ordinary shares is required. For an off-market purchase by a subsidiary of Pentair, the proposed purchase contract must be authorized by special resolution of the shareholders before the contract is entered into. The person whose Pentair ordinary shares are to be bought back cannot vote in favor of the special resolution and, for at least 21 days prior to the special resolution being passed, the purchase contract must be on display or must be available for inspection by shareholders at the registered office of Pentair.

In order for a subsidiary of Pentair to make an overseas market purchase of Pentair ordinary shares, such shares must be purchased on a “recognized stock exchange”. The New York Stock Exchange, on which the shares of Pentair are listed, is specified as a recognized stock exchange for this purpose by Irish company law.

The number of Pentair ordinary shares acquired and held by the subsidiaries of Pentair at any time will count as treasury shares and will be included in any calculation of the permitted treasury share threshold of 10% of the nominal value of the issued share capital of Pentair. While a subsidiary holds Pentair ordinary shares, it cannot exercise any voting rights in respect of those shares. The acquisition of Pentair ordinary shares by a subsidiary must be funded out of distributable reserves of the subsidiary.

### **Lien on Shares, Calls on Shares and Forfeiture of Shares**

The Pentair Articles provide that Pentair will have a first and paramount lien on every share that is not a fully paid up share for all moneys payable at a fixed time or called in respect of that share, whether presently due or not in respect of such Pentair ordinary shares. Subject to the terms of their allotment, directors may call for any unpaid amounts in respect of any Pentair ordinary shares to be paid, and if payment is not made, the shares may be forfeited. These provisions are standard inclusions in the articles of association of an Irish public company limited by shares such as Pentair and will only be applicable to Pentair ordinary shares that have not been fully paid up.

### **Consolidation and Division; Subdivision**

Under the Pentair Articles, Pentair may, by ordinary resolution, consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares or subdivide its shares into smaller amounts than is fixed by the Pentair Articles.

### **Reduction of Share Capital**

Pentair may, by special resolution, reduce its authorized share capital in any way. Pentair also may, by special resolution and subject to confirmation by the Irish High Court, reduce or cancel its issued share capital in any manner permitted by the Companies Act.

### **Extraordinary General Meetings of Shareholders**

Extraordinary general meetings of Pentair may be convened (i) by the Pentair board of directors, (ii) on requisition of the shareholders holding not less than 10% of the paid up share capital of Pentair carrying voting rights, or (iii) on requisition of Pentair's auditors. Extraordinary general meetings are generally held for the purposes of approving shareholder resolutions as may be required from time to time. At any extraordinary general meeting only such business shall be conducted as is set forth in the notice thereof.

### **Voting**

Each ordinary share is entitled to one vote on each matter properly brought before the shareholders. At any meeting of Pentair, all resolutions will be decided on a poll.

Treasury shares or Pentair ordinary shares that are held by subsidiaries of Pentair are not entitled to be voted at general meetings of shareholders.

Irish company law requires special resolutions of the shareholders at a general meeting to approve certain matters. Examples of matters requiring special resolutions include:

- amending the Pentair Articles;
- approving a change of name of Pentair;
- authorizing the entering into of a guarantee or provision of security in connection with a loan, quasi-loan or credit transaction to a director or connected person;
- opting out of preemption rights on the issuance of new shares;
- re-registration of Pentair from a public limited company to a private company;
- variation of class rights attaching to classes of shares (where the Pentair Articles do not provide otherwise);
- purchase of Pentair shares off-market;
- reduction of issued share capital;
- sanctioning a compromise/scheme of arrangement;
- resolving that Pentair be wound up by the Irish courts;
- resolving in favor of a shareholders' voluntary winding-up;
- re-designation of shares into different share classes;
- setting the re-issue price of treasury shares; and
- a cross-border merger pursuant to Directive (EU) 2017/1132 of 14 June 2017 relating to certain aspects of company law.

### **Variation of Rights Attaching to a Class or Series of Shares**

Under the Pentair Articles and the Companies Act, any variation of class rights attaching to the issued shares of Pentair must be approved in writing by holders of three-quarters of the issued shares in that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class, provided that, if the relevant class of holders has only one holder, that person present in person or by proxy shall constitute the necessary quorum.

### **Acquisitions**

An Irish public limited company may be acquired in a number of ways, including:

- a court-approved scheme of arrangement under the Companies Act. A scheme of arrangement with shareholders requires a court order from the Irish High Court and the approval of a majority in number representing 75% in value of the shareholders present and voting in person or by proxy at a meeting called to approve the scheme;
- through a tender or takeover offer by a third party for all of the shares of Pentair. Where the holders of 80% or more of Pentair's ordinary shares have accepted an offer for their shares in Pentair, the remaining shareholders may also be statutorily required to transfer their shares. If the bidder does not exercise its "squeeze out" right, then the non-accepting shareholders also have a statutory right to require the bidder to acquire their shares on the same terms. If shares of Pentair were to be listed on the Irish Stock Exchange or another regulated stock exchange in the European Union, this threshold would be increased to 90%; and
- it is also possible for Pentair to be acquired by way of a transaction with an EU-incorporated company under Directive (EU) 2017/1132 of 14 June 2017 relating to certain aspects of company law. Such a transaction must be approved by a special resolution. If Pentair is being merged with another EU company under Directive (EU) 2017/1132 and the consideration payable to Pentair shareholders is not all in the form of cash, Pentair shareholders may be entitled to require their shares to be acquired at fair value.

### **Disclosure of Interests in Shares**

Under the Companies Act, Pentair shareholders must notify Pentair if, as a result of a transaction, the shareholder will become interested in 3% or more of the shares of Pentair; or if as a result of a transaction a shareholder who was interested in more than 3% of the shares of Pentair ceases to be so interested. Where a shareholder is interested in more than 3% of the shares of Pentair, the shareholder must notify Pentair of any alteration of his or her interest that brings his or her total holding through the nearest whole percentage number, whether an increase or a reduction. The relevant percentage figure is calculated by reference to the aggregate nominal value of the shares in which the shareholder is interested as a proportion of the entire nominal value of the issued share capital of Pentair (or any such class of share capital in issue). Where the percentage level of the shareholder's interest does not amount to a whole percentage this figure may be rounded down to the next whole number. Pentair must be notified within five business days of the transaction or alteration of the shareholder's interests that gave rise to the notification requirement. If a shareholder fails to comply with these notification requirements, the shareholder's rights in respect of any Pentair ordinary shares it holds will not be enforceable, either directly or indirectly. However, such person may apply to the court to have the rights attaching to such shares reinstated.

In addition to these disclosure requirements, Pentair, under the Companies Act, may, by notice in writing, require a person whom Pentair knows or has reasonable cause to believe to be, or at any time during the three years immediately preceding the date on which such notice is issued to have been, interested in shares comprised in Pentair's relevant share capital to: (i) indicate whether or not it is the case and (ii) where such person holds or has during that time held an interest in the shares of Pentair, to provide additional information, including the person's own past or present interests in shares of Pentair. If the recipient of the notice fails to respond within the reasonable time period specified in the notice, Pentair may apply to court for an order directing that the affected shares be subject to certain restrictions, as prescribed by the Companies Act, as follows:

- any transfer of those shares, or in the case of unissued shares any transfer of the right to be issued with shares and any issue of shares, shall be void;
- no voting rights shall be exercisable in respect of those shares;
- no further shares shall be issued in right of those shares or in pursuance of any offer made to the holder of those shares; and
- no payment shall be made of any sums due from Pentair on those shares, whether in respect of capital or otherwise.

The court may also order that shares subject to any of these restrictions be sold with the restrictions terminating upon the completion of the sale.

In the event Pentair is in an offer period pursuant to the Irish Takeover Rules (as defined below), accelerated disclosure provisions apply for persons holding an interest in Pentair securities of 1% or more.

## **Anti-Takeover Provisions**

### *Irish Takeover Rules and Substantial Acquisition Rules*

A transaction in which a third party seeks to acquire 30% or more of the voting rights of Pentair will be governed by the Irish Takeover Panel Act 1997 and the Irish Takeover Rules 2007 (as amended) (the “Irish Takeover Rules”) made thereunder and will be regulated by the Irish Takeover Panel (the “Panel”). The “General Principles” of the Irish Takeover Rules and certain important aspects of the Irish Takeover Rules are described below.

### *General Principles*

The Irish Takeover Rules are built on the following General Principles which will apply to any transaction regulated by the Panel:

- in the event of an offer, all holders of security of the target company should be afforded equivalent treatment and, if a person acquires control of a company, the other holders of securities must be protected;
- the holders of the securities in the target company must have sufficient time and information to enable them to reach a properly informed decision on the offer; where it advises the holders of securities, the board of the target company must give its views on the effects of implementation of the offer on employment, conditions of employment and the locations of the target company’s places of business;
- the board of the target company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the offer;
- false markets must not be created in the securities of the target company, the bidder or of any other company concerned by the offer in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted;
- a bidder must announce an offer only after ensuring that he or she can fulfill in full, any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration;
- a target company must not be hindered in the conduct of its affairs for longer than is reasonable by an offer for its securities; and
- a “substantial acquisition” of securities (whether such acquisition is to be effected by one transaction or a series of transactions) shall take place only at an acceptable speed and shall be subject to adequate and timely disclosure.

### *Mandatory Bid*

Under certain circumstances, a person who acquires shares or other voting rights in Pentair may be required under the Takeover Rules to make a mandatory cash offer for the remaining outstanding shares in Pentair at a price not less than the highest price paid for the shares by the acquirer (or any parties acting in concert with the acquirer) during the previous 12 months. This mandatory bid requirement is triggered if an acquisition of shares would increase the aggregate holding of an acquirer (including the holdings of any parties acting in concert with the acquirer) to shares representing 30% or more of the voting rights in Pentair, unless the Panel otherwise consents. An acquisition of shares by a person holding (together with its concert parties) shares representing between 30% and 50% of the voting rights in Pentair would also trigger the mandatory bid requirement if, after giving effect to the acquisition, the percentage of the voting rights held by that person (together with its concert parties) would increase by 0.05% within a 12-month period. Any person (excluding any parties acting in concert with the holder) holding shares representing more than 50% of the voting rights of a company is not subject to these mandatory offer requirements in purchasing additional securities.

### *Voluntary Bid; Requirements to Make a Cash Offer and Minimum Price Requirements*

If a person makes a voluntary offer to acquire outstanding Pentair ordinary shares, the offer price must be no less than the highest price paid for Pentair ordinary shares by the bidder or its concert parties during the three-month period prior to the commencement of the offer period. The Panel has the power to extend the “look back” period to 12 months if the Panel, taking into account the General Principles, believes it is appropriate to do so.

If the bidder or any of its concert parties has acquired Pentair ordinary shares (i) during the period of 12 months prior to the commencement of the offer period which represent more than 10% of the total Pentair ordinary shares or (ii) at any time after the commencement of the offer period, the offer must be in cash (or accompanied by a full cash alternative) and the price per Pentair ordinary shares must not be less than the highest price paid by the bidder or its concert parties during, in the case of (i), the 12-month period prior to the commencement of the offer period and, in the case of (ii), the offer period. The Panel may apply this rule to a bidder who, together with its concert parties, has acquired less than 10% of the total Pentair ordinary shares in the 12-month period prior to the commencement of the offer period if the Panel, taking into account the General Principles, considers it just and proper to do so.

An offer period will generally commence from the date of the first announcement of the offer or proposed offer.

#### *Substantial Acquisition Rules*

The Irish Takeover Rules also contain rules governing substantial acquisitions of shares which restrict the speed at which a person may increase his or her holding of shares and rights over shares to an aggregate of between 15% and 30% of the voting rights of Pentair. Except in certain circumstances, an acquisition or series of acquisitions of shares or rights over shares representing 10% or more of the voting rights of Pentair is prohibited, if such acquisition(s), when aggregated with shares or rights already held, would result in the acquirer holding 15% or more but less than 30% of the voting rights of Pentair and such acquisitions are made within a period of seven days. These rules also require accelerated disclosure of acquisitions of shares or rights over shares relating to such holdings.

#### *Frustrating Action*

Under the Irish Takeover Rules, the Pentair board of directors is not permitted to take any action which might frustrate an offer for the shares of Pentair once the Pentair board of directors has received an approach which may lead to an offer or has reason to believe an offer is imminent, subject to certain exceptions. Potentially frustrating actions such as (i) the issue of shares, options or convertible securities, (ii) material acquisitions or disposals, (iii) entering into contracts other than in the ordinary course of business or (iv) any action, other than seeking alternative offers, which may result in frustration of an offer, are prohibited during the course of an offer or at any time during which the Pentair board of directors has reason to believe an offer is imminent. Exceptions to this prohibition are available where:

- the action is approved by Pentair's shareholders at a general meeting; or
- the Panel has given its consent, where:
- it is satisfied the action would not constitute frustrating action;
- Pentair shareholders that hold 50% of the voting rights state in writing that they approve the proposed action and would vote in favor of it at a general meeting;
- the action is taken in accordance with a contract entered into prior to the announcement of the offer; or
- the decision to take such action was made before the announcement of the offer and either has been at least partially implemented or is in the ordinary course of business.

Certain other provisions of Irish law or the Pentair Articles may be considered to have anti-takeover effects, including those described under the following captions in this "Description of Ordinary Shares": "Capital Structure", "Preemption Rights", and "Disclosure of Interests in Shares".

#### **Duration; Dissolution; Rights Upon Liquidation**

Pentair's duration will be unlimited. Pentair may be dissolved and wound up at any time by way of a shareholders' voluntary winding up or a creditors' winding up. In the case of a shareholders' voluntary winding-up, a special resolution of shareholders is required. Pentair may also be dissolved by way of court order on the application of a creditor, or by the Companies Registration Office as an enforcement measure where Pentair has failed to file certain returns.

The rights of the shareholders to a return of Pentair's assets on dissolution or winding up, following the settlement of all claims of creditors, may be prescribed in the Pentair Articles. If the Pentair Articles contain no specific provisions in respect of dissolution or winding up then, subject to the priorities of any creditors, the assets will be distributed to shareholders in proportion to the paid-up nominal value of the shares held. The Pentair Articles provide that the ordinary shareholders of Pentair are entitled to participate pro rata in a winding up.

#### **No Sinking Fund**

The Pentair ordinary shares have no sinking fund provisions.

#### **No Liability for Further Calls or Assessments**

When the ordinary shares offered hereby are issued, they will be duly and validly issued, fully paid and nonassessable.

#### **Transfer and Registration of Shares**

The transfer agent for Pentair maintains the share register, registration in which is determinative of membership in Pentair. A shareholder of Pentair who holds shares beneficially is not the holder of record of such shares. Instead, the depository or other nominee is the holder of record of those shares. Accordingly, a transfer of shares from a person who holds such shares beneficially to a

person who also holds such shares beneficially through a depository or other nominee is not registered in Pentair's official share register, as the depository or other nominee remains the record holder of any such shares.

A written instrument of transfer is required under Irish law to register on Pentair's official share register any transfer of shares (i) from a person who holds such shares directly to any other person, (ii) from a person who holds such shares beneficially to a person who holds such shares directly or (iii) from a person who holds such shares beneficially to another person who holds such shares beneficially where the transfer involves a change in the depository or other nominee that is the record owner of the transferred shares. An instrument of transfer is also required for a shareholder who directly holds shares to transfer those shares into his or her own broker account (or vice versa). Such instruments of transfer may give rise to Irish stamp duty, which must be paid prior to registration of the transfer on Pentair's official Irish share register. However, a shareholder who directly holds shares may transfer those shares into his or her own broker account (or vice versa) without giving rise to Irish stamp duty, provided that the shareholder has confirmed to Pentair's transfer agent that there is no change in the ultimate beneficial ownership of the shares as a result of the transfer and the transfer is not made in contemplation of a sale of the shares.

Any transfer of Pentair ordinary shares that is subject to Irish stamp duty is not registered in the name of the buyer unless an instrument of transfer was duly stamped and provided to the transfer agent. The Pentair Articles allow Pentair, in its absolute discretion, to create an instrument of transfer and pay (or procure the payment of) any stamp duty, which is the legal obligation of a buyer. In the event of any such payment, Pentair is (on behalf of itself or its affiliates) entitled to (i) seek reimbursement from the buyer or seller (at its discretion), (ii) set-off the amount of the stamp duty against future dividends payable to the buyer or seller (at its discretion) and (iii) claim a lien against the Pentair ordinary shares on which it has paid stamp duty. Parties to a share transfer may assume that any stamp duty arising in respect of a transaction in Pentair ordinary shares has been paid unless one or both of such parties is otherwise notified by Pentair.

The Pentair Articles delegate to Pentair's secretary or assistant secretary (or their nominees) the authority to execute an instrument of transfer on behalf of a transferring party.

In order to help ensure that the official share register is regularly updated to reflect trading of Pentair ordinary shares occurring through normal electronic systems, Pentair intends to regularly produce any required instruments of transfer in connection with any transactions for which it pays stamp duty (subject to the reimbursement and set-off rights described above). In the event that Pentair notifies one or both of the parties to a share transfer that it believes stamp duty is required to be paid in connection with the transfer and that it will not pay the stamp duty, the parties may either themselves arrange for the execution of the required instrument of transfer (and may request a form of instrument of transfer from Pentair for this purpose) or request that Pentair execute an instrument of transfer on behalf of the transferring party in a form determined by Pentair. In either event, if the parties to the share transfer have the instrument of transfer duly stamped (to the extent required) and then provide it to Pentair's transfer agent, the buyer will be registered as the legal owner of the relevant shares on Pentair's official Irish share register (subject to the matters described below).

The directors may suspend registration of transfers from time to time, not exceeding 30 days in aggregate each year.

## Pentair plc and subsidiaries as of December 31, 2022

<b>Name of Company</b>	<b>Jurisdiction of Incorporation</b>
Air Capital Filtration, LLC	United States
APEL International, LLC	United States
Aplex Industries, Inc.	United States
Aqua Membranes, Inc. <sup>(1)</sup>	United States
Aquion (Xi'an) Water Treatment Equipment Co., Ltd.	China
Aquion Hong Kong Limited	Hong Kong
Aquion, Inc.	United States
Be the Change Labs, Inc.	United States
Century Mfg. Co.	United States
ClearWater Tech, L.L.C.	United States
delMAC Filters, LLC	United States
Enviro Water Solutions LLC	United States
ETE Coliban Pty Limited	Australia
Everpure Japan Kabushiki Kaisha	Japan
FARADYNE Motors (Suzhou) Co., Ltd <sup>(2)</sup>	China
Faradyne Motors LLC <sup>(2)</sup>	United States
FilterDeal, LLC	United States
Filter-Medic, LLC	United States
FilterSoft, LLC	United States
Fleck Controls, Inc.	United States
Goyen Controls Co. Pty. Limited	Australia
Goyen Valve LLC	United States
Greenspan Environmental Technology Pty Ltd	Australia
Guardian Filtration Products, LLC	United States
Haffmans B.V.	Netherlands
Haffmans North America, Inc.	United States
Hawley Group Canada Limited	Canada
Hypro EU Limited	United Kingdom
Jung Pumpen GmbH	Germany
Lincoln Automotive Company	United States
Manitowoc Foodservice (Switzerland) GmbH	Switzerland
Manitowoc FSG Holding, LLC	United States
Manitowoc FSG Manufactura Mexico, S. de R.L. de C.V.	Mexico
McNeil (Ohio) Corporation	United States
MECAIR S.r.L.	Italy
Milpera Developments Pty Limited	Australia
Milton Acquisition ULC	Canada
Mobile Pool Builder, Inc.	United States
Moraine Properties, LLC	United States
Nano Terra, Inc. <sup>(3)</sup>	United States
Nijhuis Pompen B.V.	Netherlands
Panthro Acquisition Co.	United States
Pelican Holding Corporation	United States
Pentair Aquatic Eco-Systems, Inc.	United States
Pentair Australia Holdings Pty Limited	Australia
Pentair Canada, Inc.	Canada
Pentair Clean Process Technologies India Private Limited	India
Pentair Commercial Ice LLC	United States
Pentair Commercial Services LLC	United States
Pentair Denmark Holding ApS	Denmark
Pentair Federal Pump, LLC	United States

Pentair Filtration Sales & Service Company, LLC	United States
Pentair Filtration Solutions, LLC	United States
Pentair Finance Group GmbH	Switzerland
Pentair Finance S.a.r.l.	Luxembourg
Pentair Finance Switzerland GmbH	Switzerland
Pentair Flow Control International Pty Limited	Australia
Pentair Flow Services AG	Switzerland
Pentair Flow Technologies de Mexico, S. de R.L. de C.V.	Mexico
Pentair Flow Technologies Pacific Pty Ltd	Australia
Pentair Flow Technologies, LLC	United States
Pentair France SARL	France
Pentair Germany GmbH	Germany
Pentair Global Holdings B.V.	Netherlands
Pentair Global S.a.r.l.	Luxembourg
Pentair Group (Thailand) Limited <sup>(4)</sup>	Thailand
Pentair Holdings S.a.r.l.	Luxembourg
Pentair Holdings, Inc.	United States
Pentair Housing, Inc.	United States
Pentair Housing, LP	United States
Pentair International (UK) Ltd	United Kingdom
Pentair International Holding S.a.r.l.	Luxembourg
Pentair International Sarl	Switzerland
Pentair Investments Switzerland GmbH	Switzerland
Pentair Ireland Limited	Ireland
Pentair Luxembourg S.a.r.l.	Luxembourg
Pentair Management Company	United States
Pentair Manufacturing Belgium BV	Belgium
Pentair Manufacturing Italy S.r.L.	Italy
Pentair Middle East FZE	United Arab Emirates
Pentair Nanosoft US Holdings, LLC	United States
Pentair Netherlands Euro Finance B.V.	Netherlands
Pentair Netherlands Finance B.V.	Netherlands
Pentair Netherlands Holding B.V.	Netherlands
Pentair Pacific Rim (Water) Limited	Hong Kong
Pentair Pacific Rim, Limited	Hong Kong
Pentair Philippines, Inc. <sup>(4)</sup>	Philippines
Pentair Pleatco Acquisition LLC	United States
Pentair Residential Filtration, LLC	United States
Pentair Sales LLC	United States
Pentair Sudmo GmbH	Germany
Pentair Trading (Shanghai) Co., Ltd.	China
Pentair Transport, Inc.	United States
Pentair UK Holdings Limited	United Kingdom
Pentair US LLC 1	United States
Pentair US LLC 2	United States
Pentair US LP	United States
Pentair Water (Suzhou) Company, Ltd.	China
Pentair Water Asia Pacific Pte. Ltd.	Singapore
Pentair Water Australia Pty Ltd	Australia
Pentair Water Belgium BV	Belgium
Pentair Water Brazil LLC	United States
Pentair Water do Brasil Ltda.	Brazil
Pentair Water France SAS	France
Pentair Water Group, Inc.	United States

Pentair Water Holdings, LLC	United States
Pentair Water India Private Limited	India
Pentair Water Italy S.r.l.	Italy
Pentair Water Latinamerica S.A.	Argentina
Pentair Water Operations Australia Pty Ltd	Australia
Pentair Water Polska Sp.zoo	Poland
Pentair Water Pool and Spa, Inc.	United States
Pentair Water Proces Technologie Holding B.V.	Netherlands
Pentair Water Process Technology B.V.	Netherlands
Pentair Water Purification Systems (Shanghai) Co., Ltd.	China
Pentair Water Solutions (Hangzhou) Company, Ltd.	China
Pentair Water Spain, S.L.	Spain
Pentair Water Treatment (OH) Company	United States
Pentair Water Treatment Company	United States
Pentair Water Treatment Private Limited	India
Pentair Water, LLC	United States
Pentair Water-Mexico, S. de R.L. de C.V.	Mexico
Pentair, Inc.	United States
Penwald Insurance Company	United States
PES Pty Ltd	Australia
PFAM, Inc.	United States
Pleatco Mexican Holding Company, LLC	United States
Pleatco Mexicana, S. De R.L. De C.V.	Mexico
Pleatco, LLC	United States
Plymouth Products, Inc.	United States
Procam Controls, Inc.	United States
PTG Accessories Corp.	United States
Seneca Enterprises Co.	United States
Shupeco, LLC	United States
Sta-Rite Industries, LLC	United States
Surface Logix LLC <sup>(5)</sup>	United States
Tupelo Real Estate, LLC	United States
TVS Filters Acquisition, LLC	United States
U.S. Milton Holdings, Inc.	United States
Union Engineering (NingBo) Co., Ltd.	China
Union Engineering A/S	Denmark
Union Engineering Holding LLC	United States
Union Engineering Latam Ltda <sup>(6)</sup>	Brazil
Union Engineering North America LLC	United States
Urban Organics Pentair Group, LLC	United States
Urban Organics Schmidt Real Estate Group, LLC	United States
Urban Organics St. Paul, LLC	United States
Voltea Ltd. <sup>(7)</sup>	United Kingdom
Water Ingenuity Holdings Corp.	United States
Webster Electric Company, LLC	United States
X-Flow B.V.	Netherlands

- (1) 10.37% owned
- (2) 50% owned
- (3) 4.81% owned
- (4) 99.99% owned
- (5) 0.03% owned
- (6) 99% owned
- (7) 1.69% owned

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-184151, 333-184152, and 333-238544 on Form S-8 and Registration Statement No. 333-265317 on Form S-3 of our reports dated February 21, 2023, relating to the financial statements of Pentair plc and the effectiveness of Pentair plc's internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2022.

/s/ Deloitte & Touche LLP

Minneapolis, Minnesota  
February 21, 2023

## Power of Attorney

KNOW ALL MEN BY THESE PRESENTS that the undersigned directors of Pentair plc, an entity organized under the laws of Ireland, hereby constitute and appoint John L. Stauch and Karla C. Robertson, or either of them, his/her attorney-in-fact and agent, with full power of substitution, for the purpose of signing on his/her behalf as a director of Pentair plc the Annual Report on Form 10-K, to be filed with the Securities and Exchange Commission within the next sixty days, and to file the same, with all exhibits thereto and other supporting documents, with the Commission, granting unto such attorney-in-fact, full power and authority to do and perform any and all acts necessary or incidental to the performance and execution of the powers herein expressly granted.

Date: February 21, 2023

<u>Signature</u>	<u>Title</u>
<u>/s/ Mona Abutaleb Stephenson</u> Mona Abutaleb Stephenson	Director
<u>/s/ Melissa Barra</u> Melissa Barra	Director
<u>/s/ Glynis A. Bryan</u> Glynis A. Bryan	Director
<u>/s/ T. Michael Glenn</u> T. Michael Glenn	Director
<u>/s/ Theodore L. Harris</u> Theodore L. Harris	Director
<u>/s/ David A. Jones</u> David A. Jones	Director
<u>/s/ Gregory E. Knight</u> Gregory E. Knight	Director
<u>/s/ Michael T. Speetzen</u> Michael T. Speetzen	Director
<u>/s/ Billie I. Williamson</u> Billie I. Williamson	Director

## Certification

I, John L. Stauch, certify that:

1. I have reviewed this report on Form 10-K 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: February 21, 2023

/s/ John L. Stauch

John L. Stauch

President and Chief Executive Officer

## Certification

I, Robert P. Fishman, certify that:

1. I have reviewed this report on Form 10-K 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: February 21, 2023

/s/ Robert P. Fishman

Robert P. Fishman

Executive Vice President, Chief Financial Officer and Chief Accounting 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 Annual Report of Pentair plc (the "Company") on Form 10-K for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John L. Stauch, President 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: February 21, 2023

/s/ John L. Stauch

John L. Stauch

President 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 Annual Report of Pentair plc (the "Company") on Form 10-K for the period ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert P. Fishman, Executive Vice President, Chief Financial Officer and Chief Accounting 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: February 21, 2023

/s/ Robert P. Fishman

Robert P. Fishman

Executive Vice President, Chief Financial Officer and Chief Accounting Officer