

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

In the Matter of)	
)	
EMERSON ELECTRIC CO.,)	
a corporation;)	
and)	FTC File No. 161-0221
)	
PENTAIR PLC,)	
a corporation.)	
)	

AGREEMENT CONTAINING CONSENT ORDERS

The Federal Trade Commission (“Commission”), having initiated an investigation of the proposed acquisition by Emerson Electric Co. (“Emerson”) of the equity interests of certain subsidiaries (defined in the attached proposed Decision and Order as “Pentair Valves & Controls Subsidiaries”) and related assets from their ultimate parent entity Pentair plc (“Pentair”) (Emerson and Pentair hereinafter collectively referred to as “Proposed Respondents”), and it now appearing that Proposed Respondents are willing to enter into this Agreement Containing Consent Orders (“Consent Agreement”) to divest certain assets and providing for other relief:

IT IS HEREBY AGREED by and between Proposed Respondents, by their duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent Emerson is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Missouri with its principal executive offices located at 8000 West Florissant Avenue, St. Louis, Missouri 63136.
2. Proposed Respondent Pentair is a corporation organized, existing, and doing business under and by virtue of the laws of the Republic of Ireland with its principal executive offices located at 43 London Wall, London, EC2M 5TF, United Kingdom, and its United States address for service of process and the Complaint, the Decision and Order, and the Order to Maintain Assets, as follows: General Counsel, Pentair plc, c/o Flow Control US Holding Corporation, 5500 Wayzata Blvd., Suite 800, Golden Valley, Minnesota 55416-1251.
3. Proposed Respondents admit all the jurisdictional facts set forth in the draft of the Complaint here attached
4. Proposed Respondents waive:
 - a. any further procedural steps;

- b. the requirement that the Commission's Decision and Order, attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;
 - c. all rights to seek judicial review or otherwise challenge or contest the validity of the Decision and Order entered pursuant to this Consent Agreement; and
 - d. any claim under the Equal Access to Justice Act.
5. Because there may be interim competitive harm, the Commission may issue its Complaint and the Order to Maintain Assets in this matter at any time after the Commission accepts this Consent Agreement for public comment.
6. Not later than thirty (30) days after the date this Consent Agreement is signed by the Proposed Respondents, each Proposed Respondent shall submit an initial report, pursuant to Section 2.33 of the Commission's Rules, 16 C.F.R. § 2.33. Each Proposed Respondent shall also submit subsequent reports every thirty (30) days thereafter until the Order to Maintain Assets becomes final, at which time the reporting obligations contained in the Order to Maintain Assets (other than the requirement to submit an initial report pursuant to this Consent Agreement) shall control. Such reports shall be signed by the Proposed Respondent submitting the report and shall set forth in detail the manner in which that Proposed Respondent has complied and will comply with the Order to Maintain Assets and the Decision and Order. Such reports will not become part of the public record unless and until the Consent Agreement and Decision and Order are accepted by the Commission for public comment.
7. In each report described in Paragraph 6, each Proposed Respondent shall provide sufficient information and documentation to enable the Commission to determine independently whether the Proposed Respondent is in compliance with this Consent Agreement, the Order to Maintain Assets, and the Decision and Order. Each report shall be verified by a notarized signature or sworn statement of an employee of the Proposed Respondent specifically authorized to perform this function, or shall be self-verified in the manner set forth in 28 U.S.C. § 1746. Section 2.41(a) of the Commission's Rules of Practice requires that an original and two (2) copies of all compliance reports be filed with the Commission. Each Proposed Respondent shall file an original report and one (1) copy with the Secretary of the Commission, and shall send at least one (1) copy directly to the Bureau of Competition's Compliance Division.
8. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the draft of the Complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify each Proposed Respondent, in which event the Commission will take such action as it may consider appropriate, or issue or amend its Complaint (in such form as the circumstances may require) and issue and serve its Decision and Order, in disposition of the proceeding.

9. This Consent Agreement is for settlement purposes only and does not constitute an admission by the Proposed Respondents that the law has been violated as alleged in the draft of the Complaint here attached, or that the facts as alleged in the draft of the Complaint, other than jurisdictional facts, are true.
10. This Consent Agreement contemplates that, if it is accepted by the Commission, the Commission may (i) issue and serve its Complaint corresponding in form and substance with the draft of the Complaint here attached, (ii) issue and serve its Order to Maintain Assets, and (iii) make information public with respect thereto. If such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondents, issue the attached Decision and Order containing an order to divest and providing for other relief in disposition of the proceeding.
11. When final and effective, the Decision and Order and the Order to Maintain Assets shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order and the Order to Maintain Assets shall become final and effective upon service. Delivery of the Complaint, the Decision and Order, and the Order to Maintain Assets to Proposed Respondent Emerson by any means provided in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a) – including, but not limited to, delivery to an office within the United States of Michael N. Sohn, Esq.; Davis Polk & Wardwell LLP; or of any other lawyer or law firm listed as counsel for Emerson – shall constitute service as to Proposed Respondent Emerson. Delivery of the Complaint, the Decision and Order, and the Order to Maintain Assets to Proposed Respondent Pentair by any means provided in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a) – including, but not limited to, delivery to an office within the United States of Gregory E. Nepl, Esq.; Foley & Lardner LLP; or of any other lawyer or law firm listed as counsel for Pentair – shall constitute service as to Proposed Respondent Pentair. Each Proposed Respondent waives any right it may have to any other manner of service. Each Proposed Respondent also waives any right it may otherwise have to service of any Appendices incorporated by reference into the Decision and Order, and agrees that it is bound to comply with and will comply with the Decision and Order to the same extent as if it had been served with copies of the Appendices, where the Proposed Respondent is already in possession of copies of such Appendices.
12. The Complaint may be used in construing the terms of the Decision and Order and the Order to Maintain Assets, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order, the Order to Maintain Assets, or the Consent Agreement may be used to limit or contradict the terms of the Decision and Order or the Order to Maintain Assets.
13. By signing this Consent Agreement, each Proposed Respondent represents and warrants that the Proposed Respondent can accomplish the full relief contemplated by the attached Decision and Order (including effectuating all required divestitures, assignments, and transfers) and the Order to Maintain Assets and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent

Agreement are: (i) within the control of the parties to this Consent Agreement, or (ii) will be in the control of the parties to this Consent Agreement after the proposed acquisition.

14. By signing this Consent Agreement, each Proposed Respondent represents and warrants that each Remedial Agreement (as defined in the Decision and Order) that has been submitted to the Commission at the time of this Consent Agreement for approval by the Commission in connection with the Commission's determination to make the Decision and Order final comports with all of the relevant requirements of the Decision and Order and requires the Proposed Respondent to divest all assets required to be divested pursuant to the relevant requirements of the Decision and Order.
15. Each Proposed Respondent agrees that it shall interpret each Remedial Agreement in a manner that is fully consistent with all of the relevant provisions and remedial purposes of the Decision and Order.
16. Each Proposed Respondent has read the draft of the Complaint, the Decision and Order, and the Order to Maintain Assets contemplated hereby. Each Proposed Respondent understands that once the Decision and Order and the Order to Maintain Assets have been issued, it will be required to file one or more compliance reports showing that it has fully complied with the Decision and Order and the Order to Maintain Assets.
17. Each Proposed Respondent agrees to comply with the terms of the proposed Decision and Order and the Order to Maintain Assets from the date it signs this Consent Agreement. Each Proposed Respondent further understands that it may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order and of the Order to Maintain Assets after they become final and effective.

EMERSON ELECTRIC CO.

By: _____

David N. Farr

Chairman and Chief Executive Officer

Emerson Electric Co.

Date: _____

Michael N. Sohn, Esq.

Davis Polk & Wardwell LLP

Counsel for Emerson Electric Co.

Date: _____

PENTAIR PLC

By: _____

Randall J. Hogan
Chairman and Chief Executive Officer
Pentair plc

Date: _____

Gregory E. Neppl, Esq.
Foley & Lardner LLP
Counsel for Pentair plc

Date: _____

FEDERAL TRADE COMMISSION

By: _____

William H. Efron

Director

Northeast Region

Date: _____

Abbott B. Lipsky, Jr.

Acting Director

Bureau of Competition

Date: _____