



## **Siemens Employee Referral Program**

Siemens looks for outstanding people as the future success of the company depends on having the best and brightest talent on board. By actively suggesting suitable candidates for current vacancies every employee can take ownership for recruiting the right people for the organization. The Siemens Employee Referral Program (ERP) is designed to promote employee referrals both locally and globally and to recognize the effort required to help secure the right talent for the company's success.

This standard provides the framework for employee referrals at Siemens and sets the basis for participating countries. Country specific regulations can be found in the respective country appendix to this standard.

This document regulates the eligibility of positions, referring employees and referred candidates. Additional details on award structure and responsibilities throughout the process are also included.

This document also contains the regulations for the currently participating countries.

## Contents

<b>1. Goals</b>	<b>3</b>
<b>2. Target group</b>	<b>3</b>
<b>3. Principles</b>	<b>3</b>
<b>4. Framework of the Siemens ERP</b>	<b>3</b>
4.1. Eligible positions	3
4.2. Eligible referrer	4
4.3. Eligible candidates	6
4.4. Award	7
4.5. Referral submission process	9
4.6. Responsibilities	10
4.7. Rollout	10
<b>5. Documentation</b>	<b>10</b>
5.1. Terms, definitions, abbreviations	10
5.2. Applicable and referenced documents	11
5.3. Author, functional coordination, formal review	11
<b>Appendix</b>	<b>12</b>

## 1. Goals

Siemens employees are encouraged to participate in the Employee Referral Program (ERP) by actively suggesting qualified candidates from their own professional networks as potential future Siemens employees. Since employees know best who fits to Siemens both culturally and professionally, we place great value on these candidate suggestions and will offer recognition for those successfully hired.

Building a robust talent pipeline via employee referrals is an essential part of the overall Siemens Sourcing Strategy. Not only does this reduce the total costs of recruitment, it also enhances our ability to tap into the global passive candidate marketplace.

## 2. Target group

The regulations of this standard are applicable for each participating country. These regulations apply to all eligible employees in these participating countries relative to eligibility to participate in the ERP. At the current time, this applies to specific legal entities of Siemens in participating countries.

## 3. Principles

The Siemens ERP shall be guided by eight principles:

- (1) **Add value** and make recruiting more **efficient**
- (2) **Leverage** the professional networks of as many **employees** as possible
- (3) Foster **ownership** and responsibility to **build high quality teams**
- (4) Provide **transparency** to all parties involved
- (5) Ensure a **simple** process
- (6) Create a **user friendly experience** and keep candidates and employees **engaged**
- (7) Insure a **globally standardized approach with local flexibility as needed**
- (8) **Establish a unified One Siemens** global brand, portal and standard

## 4. Framework of the Siemens ERP

This standard and its regulations only apply to participating countries.

The ERP may be changed or terminated at any time for any reason at the sole discretion of HR TA. HR TA reserves the right to administer and interpret the ERP at its discretion.

### 4.1. Eligible positions

All positions which meet the following requirements are eligible under the ERP.

- 4.1.1.** Local criteria are defined by the Country TA before setting up the ERP in the country and are outlined in the country appendix. An alignment between the Country HR Head and the Country TA Head is required and will be part of the individual country roll-out plan.

Clarification about which positions are in the ERP automatically, are subject to the discretion of the individual hiring manager and the respective recruiter,

and are excluded from the ERP in general needs to be achieved prior the roll-out.

As a global recommendation positions which are constantly in demand and/or hard-to-fill shall be focused. A framework to guide the discussions on local eligibility criteria can be found [here](#).

The final version of the local criteria will be published in the country appendix.

Exceptions to these criteria need to be approved by the Country TA Head in alignment with the Country HR Head.

The final decision on the eligibility of positions for the ERP lies within HR TA SO SC.

### **Example 1**

*Let's assume Germany excludes any graduate roles from the ERP. Manager Mr. Mueller is talking to his recruiter on a new vacancy. He recently had a great hire as a Product Manager which came through the ERP. So he wants to open up the new position again for the ERP to duplicate the hiring success. The responsible recruiter finds out that the position is aiming for recent graduates or "fresh-outs" from university in regards to the experience, knowledge and position level. This would not make the role viable for inclusion in the ERP. If Mr. Mueller insists the recruiter to do so, the decision would need to go to the Head of TA and the Head of HR for approval.*

- 4.1.2. All key roles with strategic relevance for the business - which were formally defined through workforce plans or other strategic reviews - are recommended for inclusion as eligible to the ERP.
- 4.1.3. The ERP in general is an ongoing program. Nevertheless it can also be used as a short-term promotion activity for ramp-up projects and special recruiting demands to gather specific candidate profiles in participating countries.
- 4.1.4. All positions in scope of the ERP based on the above criteria must be uploaded to the ERP portal. Positions participating in the ERP need to be posted in the applicant tracking system (ATS) in English under "en\_GB". Exceptions in regards to the posting language have to be aligned with HR TA SO SC individually.
- 4.1.5. Positions which are not published in the ERP portal are excluded from any referral award.

## **4.2. Eligible referrer**

An employee is eligible to refer a candidate if regulations set out in this Standard and in the respective country appendix are met.

- 4.2.1. All active employees on the Siemens payroll in participating countries are eligible to refer candidates.

This includes full-time employees, part-time employees, fixed-term contract employees and student employees (e.g. interns, student workers).  
The referral needs to be entered in the ERP portal.

This comprehensive approach to eligibility is designed to encourage many referrals for the strategic key roles and other positions which would benefit from ERP inclusion.

- 4.2.2.** The following employees can refer a candidate but are not eligible for a referral reward:
- (1) Senior Management (in general Global Position Level 1-4 unless country specific definitions apply in country appendix). A key goal of the ERP is to help foster ownership culture. Senior management is generally excluded from an award for referring as it is their role to help secure talent. Additionally, since senior management can influence hiring decisions it is better to have the selection process maintain a high degree of fairness which is achieved by excluding senior management from ERP award participation. Further details on local legal regulations can be found in the Appendix.
  - (2) 3rd party employees or contingent/temporary staff not employed by but working at Siemens
  - (3) Employees involved in the hiring process and the hiring decision.  
Typically this includes:
    - hiring manager and others in the respective reporting line
    - Country specific parties (please see country attachments for local regulations)
  - (4) HR employees

- 4.2.3.** In order to receive the referral award, the referrer has to be on the Siemens payroll of the respective country throughout the whole referral process until payout. If a referrer is not on the Siemens payroll when an award is due, no award is to be paid. Regulations of the referrer's country of employment will apply for the payment process at the time the award is due.

***Example 2:***

*John has submitted a valid referral in March 2016 in the ERP portal. His referred candidate gets successfully hired two months later and passes the probation period in August of this year. By then John left Siemens and is no longer on the Siemens payroll. Subsequently he will not receive an award for his referral.*

In case of cross-country referrals the country appendix of the employment country applies to the eligibility of the referrer.

If several employees refer the same candidate for the same role, only the first in the system will be considered as a valid referral. "First in, first served".

#### **4.3. Eligible candidates**

The following criteria describe the conditions under which a referred candidate can or cannot be considered as a valid referral.

Using the employee referral portal is mandatory to introduce talents to Siemens. Referred candidates will follow the general selection process for the job position. They will be reviewed and considered by using the same criteria as other applicants. Employment laws of the hiring country will be followed throughout the process. A candidate still requires the right to work for the respective country and this is part of the screening process.

- 4.3.1.** All external candidates can be referred to an eligible position in the ERP system. The candidate needs to be personally known by the employee. The employee is encouraged to make sure that the candidate is willing to apply for the specific job and to closely consider if he or she is both suitable for the respective job opening and a fit to Siemens' company culture.

Referrals are deemed to be "role specific" which means that the referral is valid for a specific position. The employee can refer the same candidate to an unlimited number of suitable positions.

- 4.3.2.** Candidates are excluded if:

- 4.3.2.1.** They are currently employed at Siemens AG, at affiliated companies or employed through a 3rd party contractor.

- 4.3.2.2.** Referring them would violate any type of agreement and/or contractual agreements of the candidate such as if he or she was a former Siemens employee and left the company with a severance payment. In this case local regulations may apply which might limit or prohibit the option of rehiring.

- 4.3.2.3.** They are already active in a recruiting process. This includes

- Candidates who were in contact with Siemens in the last 12 months for applications, interviews or similar process steps of recruiting
- Candidates who are currently in a formal talent development program
- Candidates were already submitted by an agency in the last 12 months – the date when the candidate was added in the system is relevant and decision is taken on a first-come-first-serve basis

- 4.3.2.4.** They are alumni - defined as former Siemens full- or part-time employees – if they left Siemens less than 12 months ago. After that they may have gathered external experience which could now add new or different value to Siemens business.

This does not apply to former Siemens 3rd party contractors or former student workers who can be referred after less than one year if the other eligibility criteria apply.

- 4.3.3. If a referred candidate is matched to a different position by the recruiter the referrer still receives an award if this position is also eligible and if the candidate was referred no longer than 12 month ago. Again, “first in, first served” applies.
- 4.3.4. The eligibility criteria for referred candidates need to be checked in the local recruiting process.
- 4.3.5. In case of cross-country referrals the country appendix of the hiring country applies to the eligibility of the candidate.

#### 4.4. Award

This section describes the framework that each participating country applies to design the specific award system for successful referrals.

An award is paid in case of a successful hiring. The candidate needs to stay in this position for at least the country specific probation period. At the time the award is due, both the referrer and the candidate need to be on Siemens payroll. The payment day is subject to local payroll cycle.

The award system includes country specific direct monetary awards. In some cases non-monetary awards can also apply for in-country referrals if allowed by local law and regulated in the country appendix.

An award is given in case of a successful hiring according to country specific regulations.

Each country has to define a maximum of 4 award categories as follows:

- (1) **High:** e.g. for strategic key roles
- (2) **Medium:** e.g. individual specialist, senior positions
- (3) **Low:** e.g. mass recruiting, junior positions
- (4) **None:** Non-strategic roles

A specific monetary award is defined per category based on local salary conditions. In addition, eligible job criteria need to be assigned to each category. Not all categories have to be used, as same amount can apply to more than one category.

#### **Example 3:**

*In Turkey they use the four different award categories for referrals as follows:*

Award category	Award amount
<b>High</b> strategic key roles	1,200 TRY
<b>Medium</b> e.g. specialist	1,000 TRY
<b>Low</b> e.g. mass recruiting	800 TRY
<b>None</b> non-strategic roles	0 TRY

The final decision on the local monetary award scheme will be made by the country HR and TA Head.

For each of the categories the country can also define an equivalent non-monetary award which only applies locally for in-country referrals. If a country decides to use non-monetary awards it nevertheless needs to set an equivalent monetary award per category to enable cross-country referrals.

The Country TA is responsible for all internal alignments necessary from a local perspective with Legal, Compensation & Benefits, Payroll or other interfaces.

#### 4.4.1. Award payment for in-country referrals

In case of an in-country referral the award is paid by either the cost center of the hiring manager or the cost center of the referring employee. Decision is made by Country HR and needs to be pointed out in country appendix. The employee receives the payment from the country of employment according to local payroll processes and subject to local tax law.

#### 4.4.2. Award payment for cross-country referrals

To determine payout in case of cross-country referral, award categories need to be compared – not the assigned jobs. The award is paid by the referring employee's cost center. The amount which applies in the referrer's country is paid.

##### **Example 4:**

*Assuming a Site Engineer at Siemens Turkey refers his friend – a great Project Manager in Singapore – to an open position in Singapore at the ERP portal. He knows her from his studies abroad and is aware that she would be a great fit for Siemens and also would love to join the company. The Project Manager in Singapore applies via the link which was sent to him after the Turkish sight engineer submitted the referral via the ERP Tool and gets hired to the referred position at the end of the local recruiting process. The position is a medium Award category in Singapore. The Site Engineer in Turkey receives the referral award of 1.000 TRY as this is a medium award in Turkey. The money gets paid via his regular payroll process after the probation period in Singapore has successfully ended.*



 Referrer located in Turkey	Hiring in Singapore 		
<b>High</b> TA key roles	1,200 TRY	S\$ 2,000	<b>High</b> TA key roles, specialists
<b>Medium</b> individual specialist	<b>1,000 TRY</b>	<b>S\$ 1,500</b>	<b>Medium</b> senior positions
<b>Low</b> mass recruiting	800 TRY	S\$ 1,000	<b>Low</b> junior positions
<b>None</b> non-strategic roles	0 TRY	S\$ 0	<b>None</b> non-strategic roles

In case of cross-country referral the regulations of the hiring country determine when the award is due; however payroll system of the referring employee's employment country determines the actual time of payment (at the earliest possible payroll cycle).

**Example 5:**

*Let's assume that in our example a probation period of 3 months applies to the position in Singapore. If hiring took place at July 1st the probation period is over Oct 1st. At this date the Turkish payroll personnel get informed and the referring employee receives his referral payout in the next payroll cycle with his regular salary.*

The award payment process for cross-country referrals has been approved by Global Tax and Global HR. The global organizations HR TA SO SC and CF T 1 5 will review the process of cross-country awards on a regular basis considering the number of referrals and their tax-materiality. They will make adjustments to the award procedure if necessary.

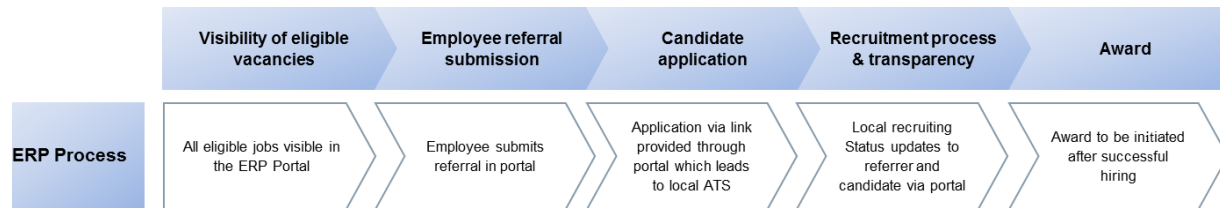
#### 4.5. Referral submission process

The process of the ERP is made user friendly and easy to follow with the use of a standard global ERP portal. The employee submits the referral in the ERP portal and receives immediate notice about the receipt of referral. After the referral is submitted the referred candidate receives both information on the referral and an invitation to apply via the respective local ATS after agreement to the data privacy consent statement.

Once the application of the referred candidate is received, the local recruiting organization takes the candidate through their recruiting process in a timely manner. Referrer and candidate receive regular status updates throughout the referral process in the system and if selected via mail alert.

**Example 6:**

*Overview of referral process*



#### 4.6. Responsibilities

HR TA SO SC is the owner of the Siemens ERP Standard and the global framework of the program. Support for implementing and adapting local programs is given.

Country TA is responsible for the local ERP attachments and ensures local legal requirements as well as internal company requirements are met. The execution of the process as well as the check of eligibility criteria needs to be managed by the Recruiters. Each Recruiter needs to discuss the ERP with the HM as an option during the hiring process.

For ensuring the alignment with the Siemens ERP a Key ERP Expert needs to be nominated per participating country. This expert trains and promotes the ERP in-country and facilitates cross-country referrals and payment processes with necessary local support.

#### 4.7. Rollout

This standard was piloted starting October 2015 in Singapore, South Africa, Turkey and United Kingdom. In further waves other countries followed and more countries will follow. The detailed rollout plan and timeline will be discussed with the countries separately. In alignment with the local Head of HR and Head of TA the Global Head of TA initiates the roll-out per country. A list of the participating countries can be provided by HR TA SO SC.

A broader global spread of the program might make changes to the standard necessary. Any individual changes to existing country specific ERPs need to be aligned with this standard. The same applies for the development / advancement of new ERPs.

For local adaptations the Country TA is in the lead whilst a comprehensive support for alignments and implementation is given by the global project team.

### 5. Documentation

#### 5.1. Terms, definitions, abbreviations

**ATS** – Applicant Tracking System

**Award** – the incentive which is applicable for the respective successful referral

**Candidate** – the person who gets referred

**Cost-center** - the accounting number relevant for somebody's department

**Cross-country referral** – a referral outside of the referrer's employment country

**DPCS** – Data Protection Consent Statement

**Hiring manager (HM)** – the manager having an open position in his team

**In-country referral** – a referral where the referrer and the open position for the referral are in the same country

**Recruiter** – the local TA responsible for the open position

**Referral** – an employee's suggestion for an open position at Siemens

**Referrer** – the Siemens employee who refers a candidate

**Strategic key role** – Business critical functions that are constantly in demand (high-volume) or difficult to fill (niche profiles, talent shortage, upcoming new technology)

**TA** – Talent Acquisition

## **5.2. Applicable and referenced documents**

All country specifics can be found in the appendix.

## **5.3. Author, functional coordination, formal review**

This standard is coordinated by HR TA SO SC. All local regulations in regards to ERP need be aligned and attached to this document.

4Connect/Avature is the only tool used as an ERP portal for the Global Siemens ERP.

The ERP may be changed or terminated at any time for any reason at the sole discretion of HR. HR reserves the right to administer and interpret the ERP at its discretion. HR reserves the right to deny award to any employee who improperly makes promises or assurances of employment to prospective candidates, or otherwise engages in improper conduct related to this program or other workplace activities.

## Employee Referral Program China

The Employee Referral Program (ERP) is designed to reward employees for referring the right candidates to join Siemens.

### Eligible Position

Full time white collar positions are eligible if posted on ERP portal.

Exceptions: Positions which postings are critical due to discretion reasons, etc. are not eligible for referrals. These exceptions will be investigated and decided individually by the hiring manager together with the respective recruiter.

Non OneHR companies are not participating in the program.

### Eligible Employee (Referrer)

The eligibility of employees for referring candidates in Siemens China is in line with the above description of eligible candidate (4.2).

### Eligible Candidate

The eligibility of candidates referred to a vacancy at Siemens China is in line with the global framework in regards to eligible candidates (4.3).

### Award

The award level (High, Medium, Low, No award) is the decision of the hiring manager in consultation with recruiter. The incentive scheme is as follows:

Award Category	Award Amount
High	RMB 10, 000
Medium	RMB 5, 000
Low	RMB 3, 000
None	RMB 0

In situation a special promotion award higher than RMB 10,000 is considered necessary, the decision about this amount will be made jointly by the respective hiring manager and the recruiter.

### Award payment

The award payment process is in line with the global framework (4.4). The award for in-country referrals is paid by the cost center of the hiring manager after the referred candidate has completed his/her probation period and it will be subjected to individual income tax in accordance to the local tax regulations in China.

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