

Total Rewards

**Compensation**Benefits and
Wellness

Work/Life

Performance
and RecognitionCareer Opportunity
and Development

Glossary of Column Headings

Please use the descriptions of the key areas of the system below to help you navigate through the tool and to make your proposals appropriately.

- **Name**
 - When you log in to the system and proceed to the Compensation section, the tool will list all the direct reports we have on file for you. If you see any discrepancies in this information please contact your HR business partner who will be able to determine the reason and appropriate solution.
 - By clicking on the employee name, you will be able to see some additional information on the employee which may assist you in making your proposals.
- **Country Budget**
 - This section will show you the amount budgeted for the individual employee for merit, promotion and lump sum proposals. The budget covers all three aspects of Compensation related to an employees' salary.
 - As an example: In the USA, an employee is showing a 3% budget. Generally, this means that 2.5% overall in the USA is available for merit increases, while .5% is available for promotional increases or lump sum amounts where an employee is already highly paid in terms of salary. These are directional guidelines as you determine the appropriate increases to propose based on the performance of the employee.
- **Merit proration factor**
 - Merit increases are prorated based on the month of hire. This section will show you if the employee will receive a prorated amount of what you propose for them. You should enter the amount that you would normally propose based on the budget. The tool will then perform the appropriate calculations based on the proration factor.
- **Merit increase %**
 - Enter the percentage you would like to propose for the employee based on the individual's performance and budget associated with them. For highly performing employees you should consider proposing a higher than budget amount, and for lower performing employees, a lower than budget amount. You can track your budget and actual spend for your employees by looking at the top of the screen. Please remember to stay within budget overall.

- **Promotion**
 - Use this section ONLY if you are promoting an employee. You will be required to click on the **“Promote”** button to begin the process. After adding comments for the new title and reason for the promotion, you will be able to enter a promotion percentage under the **“Promo %, Promo. Amt”** section. Any amount you propose will be added to the amount spent and deducted from your overall budget.
- **New Salary**
 - This section will simply calculate your new salary by taking your old salary and adding any amounts that have been proposed for merit or promotion.
- **Lump Sum**
 - In instances where an employee may already be compensated very high relative to other peers and/or market, a lump sum merit in lieu of a salary increase may be appropriate. Enter the lump sum percentage in the box. This will be deducted from the overall budget but not added to the employees’ salary. Please speak with your local HR business partner if you have any questions about lump sum and its appropriate use.
- **Bonus Target%/Bonus Target Amt**
 - This column will show you what the full amount of your target bonus would be as if you worked a full year for Xylem at your current level.
 - **Note: If you are hired after March 31st, you will receive a prorated bonus which is calculated by the system as $\text{prorated months}/12 = \text{Proration \%}$. If you worked for 4 months for Xylem you would thus receive a .33% bonus.**
 - Prorations are based on the 15th of a month. If you are hired on or before the 15th of a month you will receive that month’s proration. If you are hired after the 15th of a month you will receive the next month’s proration. As an example, if you are hired on July 15th, you will receive 6 months of proration for bonus purposes. If you are hired July 20th, you will receive 5 months of bonus proration.
 - You can see the proration factor by clicking on the **“Final Bonus Amount”** number in the tool.
 - Employees are not eligible for a bonus if hired in the 4th quarter of the year unless a specific agreement has been made with the employee.
- **Team Score**
 - Team Score relates to different bonus plans the employees are eligible for. This score is calculated by finance based on the metrics associated with the plan the employee is currently associated with. The amount is hard coded in the system as it is simply a calculation that management cannot change, but is an important element for management to be aware of to be able to explain the overall performance of the plan the employee is in.

- **Empl Performance Score**

- This section is used to capture either the Individual Objective score (IO) or Management Discretionary score for the majority of the different Xylem Bonus plans captured in the system. The scores are used to connect performance to the overall payout being proposed for an employee. Please speak with your local HR Representative if you have any questions on what the score ranges can be and how to make appropriate proposals for employees based on performance. (Please note that if you attempt to enter a score that is outside the range associated with the plan the employee is in, the system will notify you via a popup on the screen and not allow the score to be entered).
 - **Note that a score of 100 for all the bonus plans equates to an employee who met all your expectations and achieved the goals set in your performance conversations. A score below 100 would mean that the employee was below the expectations you set and over 100 would mean that the employee exceeded those expectations. Scores above 100 should be reserved for your highest performers and your overall recommendations must remain within budget.**
- The budget you will see at the top of the screen is based on the funding score each individual business receives based on overall performance to the metrics within the plan.
 - A score of 100 proposed by management in the **“Empl Performance”** section will result in a full payout of the amount funded for the bonus plan the employee is eligible for. As an example, if your bonus target is 10,000 and the funding amount for your plan is scored at a 95, the full funding for you is 9,500. If an **“Employee Performance”** score of 100 is given, you would receive 9,500, or what was funded for you based on the performance metrics in your bonus plan.
- We are also including a document named **“How Pay is Related to Performance”** in the **“Help”** section to assist in your decision making for proposals.

- **Final bonus amount**

- This section will show the employees total bonus once the Team amount and other bonus factors are calculated. The final amount will be rounded to the nearest 10.
- Clicking on the final bonus amount number will also give you some additional information on the bonus including a plan name, proration factor, and funding amount for the bonus.

- **Total cash comment**

- This column shows you the total amount of cash the employee will receive for 2017 including the total new salary plus any lump sums and bonuses paid.

- **Show budget in**

- This allows you to change the currency of the budget

- **Show my direct/rollup budget**
 - Pressing this button allows you to see the budget for your direct reports and also your organization (i.e. your direct reports' reports)
- **Start the tour**
 - Pressing this button will give you a quick tour of some of the main features within the tool
- **Help**
 - This area stores some key documents that can be referenced for assistance as you are using the system. We highly encourage you to read through these documents before making your proposals.

If you have any questions or concerns as you navigate through the tool, your first contact should be to your local HR business partner who will either be able to assist you directly or will be able to reach someone who can. If you need additional assistance, you can also contact the following members of the Corporate Compensation Team at Headquarters:

- Carmen Dubuc-Valerio (Carmen.Dubuc-Valerio@xyleminc.com)
- Ed Dennerlein (Ed.Dennerlein@xyleminc.com)