



Leadership Development & Compensation Committee Charter

I. Purpose

The purpose of the Leadership Development & Compensation Committee (the “Committee”) is to provide oversight of compensation, benefits, development and succession for Executive Officers (as defined below), as well as review of certain human capital management initiatives of Xylem Inc. (the “Company”). The Committee evaluates and makes regular reports to the Board of Directors (the “Board”) on matters concerning Executive Officer performance, compensation, policies and plans, including management development and succession plans, and talent management and human capital matters related to diversity, equity and inclusion. It approves Chief Executive Officer and other Executive Officer compensation and benefit programs. It also oversees administration of the Company’s executive compensation programs. For purposes of this Charter, “Executive Officer” means the employees of the Company that are determined by the Board to be officers under Rule 16a-1(f) or Rule 10D-1 of the Securities Exchange Act of 1934, as amended, and/or Senior Vice Presidents (Band A executives).

II. Responsibilities

Compensation and Benefits for Chief Executive Officer, Other Executive Officers and Executives

- A. Review and approve compensation matters for a proposed or for the current Chief Executive Officer and other proposed or current Executive Officers of the Company, including:
- Review the effectiveness of the overall compensation philosophy and peer companies on an annual basis.
 - Following review and concurrence by the Board’s independent directors, the Committee will approve annual performance goals and objectives for the Chief Executive Officer.
 - Annually, the Board’s independent directors will evaluate the performance of the Chief Executive Officer with respect to his/her/their performance against the approved annual goals and objectives and consider the compensation of the Chief Executive Officer. The Committee will approve the compensation level of the Chief Executive Officer that will reflect, as appropriate, the results of the independent directors’ evaluation.
 - Approve individual compensation actions for the remaining Executive Officers, taking into account recommendations from the Chief Executive Officer and Chief Operating Officer.

- Provide an annual review of any such matters above with the full Board.
- B. Oversee the establishment and administration of the Company's Executive Officer benefit programs, compensation recoupment ("clawback") policy and severance policies, including review and approval of Executive Officer benefit plans, employment agreements, and change-in-control provisions.
- C. Approve and oversee the administration of the Company's executive compensation program, including annual incentive compensation plans, as well as long-term incentive compensation plans and all equity-based compensation plans pursuant to the Company's Omnibus Incentive Plan.
- D. Review and discuss with management, on at least an annual basis, management's assessment of whether risks arising from the Company's compensation policies, practices and benefit programs for all employees, including non-executive employees, are reasonably likely to have a material adverse effect on the Company.

Board of Directors Compensation

- E. Evaluate and recommend, as appropriate, compensation for non-employee directors for the Board's approval.

Leadership Development, Succession Planning and Human Capital Management

- F. Oversee, review and administer the leadership development process and succession plans for all Executive Officer positions. The leadership development process and internal succession plans for the role of the Chief Executive Officer will be reviewed with the full Board.
- G. Review the approach to human capital management, including related to talent management and development, diversity, equity and inclusion, and other relevant matters at the direction of the Board.

Reports, Performance Evaluation, Outside Advisors and Charter

- H. Report regularly to the Board on its activities.
- I. Review and discuss with management the Compensation Discussion and Analysis, Summary Compensation Table ("SCT") and Pay-Versus-Performance Table ("PVP") required to be included in the Company's annual proxy statement, and, based on such review and discussion, determine whether or not to recommend to the Board that these items be included.
- J. Prepare the Report of the Committee required by the Securities and Exchange Commission to be included in the Company's annual proxy statement.
- K. Review and assess the Committee's performance on an annual basis.
- L. Review and assess outside consultants' performance and independence on an annual basis (e.g., compensation and benefits consultants, outside counsel, etc.).

- M. Review this Charter at least annually and make recommendations to the Board for approval and adoption of the Charter, including any additions, deletions or modifications, as may be deemed appropriate.

III. Membership and Organization

- A. The Committee shall be composed of no fewer than four members or a majority of the full Board, whichever is less, all of whom must be independent directors in accordance with (a) the rules of the New York Stock Exchange and the Company's Corporate Governance Principles and (b) the relevant requirements established pursuant to regulations under Section 16(b) of the Securities and Exchange Act of 1934.
- B. Each member of the Committee shall be designated by the Board annually and shall serve until such member's successor is duly designated or until such member's earlier resignation or removal. Any member of the Committee may be removed from the Committee, with or without cause, by a majority vote of the Board.
- C. The Chair of the Committee shall be designated by the Board. The Board will consider the rotation of the Chair of the Committee on a periodic basis.
- D. The Chair of the Committee shall be responsible for scheduling all meetings of the Committee and providing the Committee with a written agenda for each meeting. The Chair shall preside at meetings of the Committee.
- E. The Secretary or Assistant Secretary of the Corporation shall be the Secretary of the Committee unless the Committee designates otherwise.
- F. The Committee shall meet as often as may be deemed necessary or appropriate, but no fewer than four times annually. The Committee may ask members of management or others to attend meetings or to provide relevant information. The Committee shall periodically meet in executive session absent management.
- G. The Committee has sole authority to select, retain, oversee and terminate any compensation and benefits advisors, consultants and other outside counsel, as needed, to provide independent advice to the Committee with respect to the Company's current and proposed Executive Officer and executive compensation, and Executive Officer benefit programs. The Committee has sole authority to approve the advisor's fees and other retention terms. The Company will provide the Committee with appropriate funding, as determined by the Committee, for the payment of reasonable compensation to any such advisors retained by the Committee. Prior to selecting any advisor, the Committee shall take into consideration all factors relevant to the independence of such advisor from the Company's management to the extent required by applicable laws, regulations and New York Stock Exchange requirements. The Committee has sole authority to engage the compensation consultant or its affiliate for non-executive compensation consulting services as appropriate.
- H. The Committee may delegate authority to act upon specific matters within determined parameters to a subcommittee consistent with the delegation of such powers to the Committee by the Board.