



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ See attachment

Blank lines for listing applicable Internal Revenue Code sections and subsections.

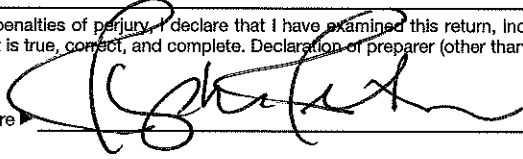
18 Can any resulting loss be recognized? ▶ See attachment

Blank lines for indicating if any resulting loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See attachment

Blank lines for providing other information necessary to implement the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here** Signature ▶  Date ▶ 6/21/2023

Print your name ▶ **Christopher J Peterson** Title ▶ **VP Chief Tax Officer**

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			

**Xylem Inc.**  
**EIN 45-2080495**  
**Attachment to Form 8937**

*The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations related to the effects of the Merger (as defined below) on the tax basis of shares of common stock of Xylem Inc. received in exchange for shares of common stock of Evoqua Water Technologies Corp. The information contained herein does not constitute tax advice and does not purport to be complete or describe the tax consequences that may apply to particular categories of shareholders. Neither Xylem nor Evoqua provides tax advice to its shareholders. Shareholders are encouraged to consult their own tax advisors regarding the particular consequences of the Merger to them (including the applicability and effect of all U.S. federal, state, and local tax laws and non-U.S. tax laws) and should carefully read the joint proxy statement/prospectus, which is part of a Registration Statement on Form S-4 that Xylem filed on March 31, 2023 with the Securities and Exchange Commission, noting especially the discussion under the heading “Material U.S. Federal Income Tax Considerations of the Merger.” The information provided herein is subject to such discussion in all respects. The Registration Statement may be accessed at [www.sec.gov](http://www.sec.gov).*

**Form 8937, Part II, Box 14:**

On May 24, 2023, pursuant to the terms and conditions of the Agreement and Plan of Merger (the “Merger Agreement”), dated as of January 22, 2023, by and among Xylem Inc., an Indiana corporation (“Xylem”), Evoqua Water Technologies Corp., a Delaware corporation (“Evoqua”), Fore Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Xylem (“Merger Sub”), Merger Sub merged with and into Evoqua (the “Merger”), with Evoqua continuing as the surviving corporation and a wholly owned subsidiary of Xylem.

In the merger, each share of Evoqua common stock, par value \$0.01 per share (“Evoqua Common Stock”), issued and outstanding immediately prior to the effective time of the Merger, was automatically converted into the right to receive 0.48 shares of Xylem’s common stock, \$0.01 par value per share (“Xylem Common Stock”), with cash paid in lieu of any fractional shares. The Merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code.

**Form 8937, Part II, Box 15:**

An Evoqua shareholder who exchanges its shares in Evoqua Common Stock for shares of Xylem Common Stock generally will not recognize any gain or loss for U.S. federal income tax purposes, except with respect to cash, if any, received in lieu of fractional shares of Xylem Common Stock.

Each such Evoqua shareholder’s aggregate tax basis in the shares of Xylem Common Stock received pursuant to the Merger (including any fractional share of Xylem Common Stock for

which cash was received) will equal such Evoqua shareholder's aggregate adjusted tax basis in the shares of Evoqua Common Stock surrendered in the Merger.

An Evoqua shareholder who acquired different blocks of Evoqua Common Stock at different times or different prices should consult its tax advisor regarding the manner in which the basis and holding period should be allocated among the U.S. Evoqua stockholder's Evoqua Common Stock in light of the U.S. Evoqua stockholder's specific circumstance.

Each such Evoqua shareholder that receives cash in lieu of a fractional share of Xylem Common Stock generally will recognize capital gain or loss equal to the difference between the amount of cash received and the tax basis in such fractional share, determined as described above.

**Form 8937, Part II, Box 16:**

The aggregate tax basis of the Xylem Common Stock received in the Merger (including any fractional share interests in Xylem Common Stock deemed received) will equal the aggregate adjusted tax basis in the shares of Evoqua Common Stock exchanged.

**Form 8937, Part II, Box 17:**

Sections 354, 358, 368, 1001, and 1223 of the Code.

**Form 8937, Part II, Box 18:**

Evoqua shareholders generally will not recognize any loss for U.S. federal income tax purposes as a result of the Merger, except with respect to cash, if any, received in lieu of fractional shares of Xylem Common Stock.

**Form 8937, Part II, Box 19:**

The Merger was effective on May 24, 2023. For an Evoqua shareholder whose taxable year is the calendar year, the reportable tax year is 2023.