

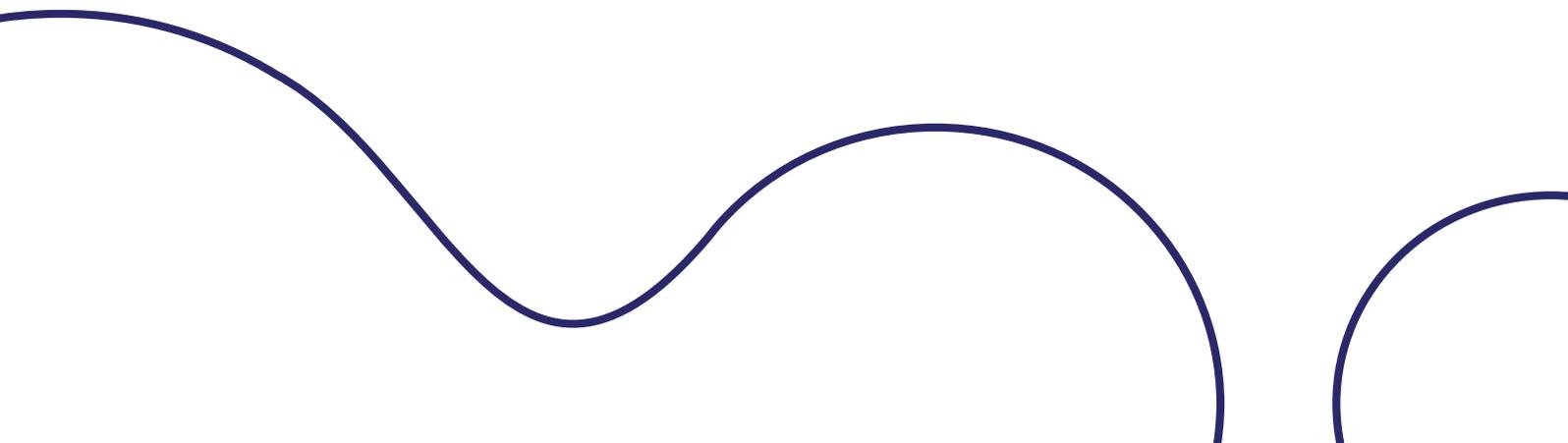
# FLUIDRA

ANNUAL REPORT ON THE ACTIVITIES  
OF THE APPOINTMENTS AND  
COMPENSATION COMMITTEE

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**2022**

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# 2022

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## 1. PRESENTATION

In keeping with recommendation 6 of the Spanish Securities Commission's (CNMV) Code of Good Governance for Listed Companies and article 29 of the Regulations of the Appointments and Compensation Committee (the "Committee") of Fluidra, S.A. ("Fluidra" or the "Company")

("Committee Regulations"), attached is the Annual Report on the operations and activities of the Committee for financial year 2022 approved by the Committee on March 29, 2023 and ratified by the Company's Board of Directors (the "Board") on March 30, 2023.

## 2. MEMBERS, POWERS AND RUNNING OF THE APPOINTMENTS AND COMPENSATION COMMITTEE AND MEETINGS IN 2022

The Appointments and Compensation Committee is regulated in article 14 of the Board Regulations and in the Committee Regulations, which governs its principles of action, the basic rules on its organization and operation, and its code of conduct in accordance with the corporate governance best practices and the CNMV's Technical Guidance for Appointments and Compensation Committees.

### 2.1 MEMBERS

Pursuant to article 14 of the Board Regulations and article 12 of the Committee Regulations, the Committee is made up of four non-executive directors, two of whom are independent directors. The members of the Committee have been appointed based on their knowledge, skills and experience, as well as on the duties of the Committee.

The Board Regulations stipulate that the President of the Committee must be an independent director, elected from among the independent directors on the Committee.

At December 31, 2022, the Committee was made up of the following directors appointed by the Board:

| Name                              | Post      | Category    | Length of service on the Committee |
|-----------------------------------|-----------|-------------|------------------------------------|
| Esther Berrozpe Galindo           | President | Independent | 06/09/2019                         |
| Jorge Valentín Constans Fernández | Member    | Independent | 01/12/2015                         |
| Bernardo Corbera Serra (*)        | Member    | Nominee     | 05/05/2022                         |
| Mr. M. Steven Langman             | Member    | Nominee     | 14/06/2021                         |

(\*) In 2022, Bernardo Corbera became a member of the Appointments and Compensation Committee and on May 5 Bernat Garrigós (Piumoc Inversions S.L.U.) joined the Audit Committee.



## THE PROFILES OF THE COMMITTEE MEMBERS ARE AS FOLLOWS

### Esther Berrozpe Galindo

Esther Berrozpe has an extensive international track record of three decades working in consumer goods companies, where she held positions of responsibility both in Europe and North America. She has long-standing experience in the commercial, industrial and logistics sectors, talent management and culture change, mergers and acquisitions.

Until November 2022, Esther Berrozpe held the post of CEO at Ontex, a leading international group in the personal hygiene sector. Ontex, which in 2021 had 10,000 employees and obtained revenues of 2 billion euros, designs, manufactures and distributes products for baby care, women's hygiene and incontinence in adults in more than 110 countries to consumers, retailers, institutions and private healthcare providers worldwide. Ontex is listed on Euronext Brussels and is part of the Bel Mid® index.

Prior to joining Ontex, Esther Berrozpe was Executive Vice-President and President in the Whirlpool Corporation for Europe, the Middle East and Africa, the global leader in large home appliances, which in 2021 made 22 billion USD in sales, had approximately 90,000 employees and 65 production, research and development centers. She led the company's merger and transformation process following the acquisition of Indesit Company by Whirlpool in 2014.

She has also worked for Paglieri, Sara Lee and the Wella Group.

Esther Berrozpe was an independent director at Pernod Ricard, Ontex Group and Roca Corporación until December 2020.

She holds a degree in Economics and Business Administration from the University of Deusto in San Sebastian (Spain) and studied Economics and International Business at the University of Bergamo (Italy).

### Jorge Valentín Constans Fernández

Jorge Constans holds a Degree in Economics from the University of Barcelona, a General Management Degree (PDT) from IESE and an MBA from ESADE. Over a long career spanning 22 years at Danone, he held several positions in sales, marketing and general management in Spain and went on to be President and General Manager of Danone France. He was subsequently made responsible for Europe and later on for the USA. Over the last two years at the company he was President of the

dairy products division, with revenues of 12 billion euros and operations in over 50 countries. At Louis Vuitton, he served as President and CEO. He is currently a member of the Board of Directors of Puig and Fluidra.

### Bernardo Corbera Serra

Born in Barcelona in 1965, he has a Degree in Business Studies from ESEI and a Senior Management Business Program Degree from IESE.

He has held several positions in the Fluidra Group. Specifically, he started his career at Astral Export, S.A. as the head of the company's expansion in Africa, the Middle East and Central America. He moved to the United States in 1993, where he was responsible for market research and the subsequent roll out of Astral Products and Poltank in the US. In 1999 he joined the Astral Group as head of North America and Mexico and was appointed to its Executive Committee. He was appointed as a member of Fluidra's Board of Directors in 2000, as well as CEO of Edrem S.L., a family-run investment company.

He also manages and sits on the board of directors of the following companies in which he is also a significant investor: Beran Cartera, S.L., Inmobiliaria Tralsa, S.A. and Contralsa, S.R.L.

### M. Steven Langman

Steven Langman co-founded Rhône in 1996 and has been responsible for the day-to-day management of the firm since its inception. Rhône is an asset management company specializing in private equity. He is a Member and Managing Director of Rhône. Before founding Rhône, Mr. Langman was a Managing Director at Lazard Frères, where he specialized in mergers and acquisitions. Before joining Lazard Frères, Mr. Langman worked in the mergers and acquisitions department of Goldman Sachs. He has over 30 years of experience in finance, analysis and investments in public and private companies. In addition to Fluidra, S.A., Mr. Langman currently serves on the Boards of Directors of companies in which Rhône holds investments, including Baker & Baker Group Ltd., Hudson's Bay Company, Lummus Technology L.L.C., Vista Global Holdings and Wellbore Integrity Solutions LLC. He graduated with honors from the University of North Carolina at Chapel Hill and holds a master's degree from the London School of Economics.

## 2.2 POWERS AND FUNCTIONS

Notwithstanding any other functions assigned to it under the law, the By-Laws or by the Board of Directors, the functions of the Appointments and Compensation Committee include:

### Basic functions

Assessing the skills, know-how and experience required of the Board and, consequently, defining the functions and skills required of the candidates to cover each vacancy; and assessing the time and dedication required for them to properly discharge their duties.

- Submitting proposals to the Board of Directors for the appointment of independent directors by co-option or for approval by the AGM, as well as proposals for the re-election or removal of directors by the AGM.
- Reporting on the proposed appointments of other directors by co-option or for submission to a vote at the AGM, as well as on proposals for their re-appointment or removal by the AGM.
- Examining or organizing, as considered appropriate, the process for the succession of the Chairman and CEO and, as the case may be, making recommendations to the Board of Directors so the handover is well planned and takes place on schedule. For these purposes, the Appointments and Compensation Committee drafts a succession plan that is regularly reviewed so that it can be adapted to any new requirements or circumstances of the Company.
- Drafting and reviewing the criteria to be followed for choosing the members of the management team of the Company and its subsidiaries, and in selecting candidates.
- Reporting and submitting proposals for appointments and dismissals of senior execu-

tives and other executives to the Board, as proposed by the Executive Chairman or the CEO, as well as the basic conditions of their contracts.

- Reporting to the Board of Directors on matters related to gender diversity and the qualifications of directors pursuant to article 6.5 of the Board of Directors Regulations.
- Setting a target for the female members of the Board of Directors and drawing up guidelines on how to achieve this target.
- Proposing to the Board of Directors: (i) the compensation policy for directors and senior executives and (ii) the individual compensation of executive directors and senior executives and the other basic terms of their contracts.
- Ensuring compliance with the compensation policy established by the Company and the transparency of compensation.

The Appointments and Compensation Committee is also responsible for the following

### Additional functions

- Regularly reviewing the structure of the Board of Directors and its committees, and advising the Board of Directors on its most appropriate make-up in terms of size and balance between the different types of directors.
- Proposing a specific selection policy acceptable to the Board of Directors designed to ensure that its members are suitable so that proposals for the appointment of directors are based on a prior analysis of the skills required by the Board of Directors and that favor diversity of knowledge, experience, age and gender. Moreover, the Appointments and Compensation Committee verifies compliance with this policy on an annual basis and reports its findings in the Annual Corporate Governance Report.

- Ensuring that when vacancies are filled or when new directors are appointed, the selection procedures do not entail implicit bias that could be discriminatory.
- Proposing the appointment or removal of members of the Audit Committee, the Appointments and Compensation Committee and the Delegated, Strategy and ESG Committee by verifying that the members of each committee meet the conditions required in terms of professional experience, skills and diversity. When proposing directors for re-election, the Appointments and Compensation Committee takes into account the same factors as for the first appointment. The Committee also assesses a director's performance during his/her time in office and the ability to continue performing satisfactorily.
- Proposing or announcing the resignation or removal of directors when:
  - (a) they are subject to conflicts of interest or disqualification as provided for by law, the By-Laws or these Regulations;
  - (b) a shareholder represented by a director transfers all or reduces his/her shareholding; and
  - (c) they are involved in any of the other situations, whether or not related to their work at the Company, that could seriously damage its image or reputation.
- Ensuring that the Board of Directors adequately announces the circumstances and reasons for a resignation before a director's term of office comes to an end, either by resignation or by resolution of the AGM.
- Promoting and coordinating the annual process of evaluating the performance of the Board of Directors, the Chairman of the Board of Directors, its Committees, its members and the executive directors.
- Submitting the results of the assessment to the Board of Directors together with a proposed action plan or recommendations to correct any shortfalls detected or to improve the operation of the Board of Directors and its committees.
- As part of the assessment, it monitors directors' attendance at meetings.
- Evaluating the skills, expertise and experience required to be a Board member and to that end:
  - (a) preparing a matrix of the skills required of the Board of Directors to assist the Appointments and Compensation Committee in analyzing the skills, expertise and experience of the Board members and defining the functions and aptitudes of the candidates who should fill any vacancies that may arise;
  - (b) evaluating the time and dedication required for them to effectively perform their duties; and
  - (c) promoting refresher training for directors, as needed.
- Verifying the independence of any external consultant that may advise the Board of Directors from time to time in evaluating the performance of the Board of Directors and its Committees.
- Proposing to the Board of Directors:
  - The system and amount of annual compensation for executive directors and senior executives.
  - The individual compensation and other basic terms and conditions of the contracts with executive directors and senior managers.
  - The compensation policies of directors and members of senior management, reviewing them periodically and, where appropriate, proposing changes and updates to the Board of Directors by verifying their alignment with the particular circumstances of the Company.

- Informing the Board of Directors on the individual amounts set in compensation for each director in line with the By-Laws and the compensation policy.
- Drafting the Annual Report on the Compensation of Directors and submitting it for approval by the Board of Directors.
- Regularly reviewing the terms of the contracts of executive directors and senior executives, and verifying that they are consistent with the compensation policies in place.
- Overseeing the fulfillment of the compensation policies of directors and senior executives.
- Assessing the level of achievement in respect of the criteria and objectives set for the previous year for the purposes of tabling a motion on individual compensation, including the variable payments to the executive directors and senior executives.
- Making sure that the selection and compensation policies are consistent with the Company's short-, medium and long-term situation and strategy, and with market conditions, as well as assessing whether they contribute to the creation of long-term value and to the adequate management and control of risks, the results of which must be reported to the Board of Directors.
- Verifying that the information posted by the Company on its corporate website regarding compensation is sufficient and appropriate, and follows the good corporate governance recommendations that apply using a transparent process for drafting the proposal of the compensation policies.
- Reporting on proposals for the appointment and removal of senior officers and gathering information on the evaluation process. In this regard, drafting a succession plan for the Company's senior executives to ensure an orderly and carefully planned succession.
- Regularly designing and organizing onboarding programs for Board members as deemed appropriate.
- Issuing reports and taking actions that fall within its scope of authority, or as requested by the Board of Directors or the Chairman.
- Conducting a regular assessment and review of the Company's environmental and social policies, so that it fulfills its mission of promoting its corporate interests, and that they take into account, as may be the case, the legitimate interests of all other stakeholders, as well as ensuring that the Company's practices in environmental and social matters are in line with the strategies and policies put in place.
- Ensuring that the corporate culture is aligned with the purpose and values of corporate governance standards.
- Reviewing the non-financial information about the Company and, where applicable, about the Group relative to matters falling under the powers of the Appointments and Compensation Committee.

## 2.3 OPERATION

Although the Committee usually meets on a quarterly basis, it must also meet when convened by the Chairman, provided that the Board or its Chairman request the issue of a report or the adoption of proposals and, in any event, when it is appropriate for the proper pursuit of its functions.

The Committee will be deemed to be validly assembled when at least the majority of its members are in attendance in person or by proxy.

Resolutions will be adopted by a majority of the members in attendance, in person or by proxy. In the event of a tie, the President will not have the casting vote.

In addition, pursuant to the powers granted by the Board and Committee Regulations, to best perform its functions, the Committee may seek advice from external experts when it considers it necessary for the proper fulfillment of its duties.

The Committee reports on and is accountable for its activities in the first plenary meeting of the Board following any meetings it holds. The Committee also draws up minutes of its meetings, sends a copy to all the Committee members and makes the minutes available, where applicable, to all of the Board members.

## 3. ACTIVITIES IN 2022

### 3.1 MEETINGS

The Committee met seven times in 2022 (all by videoconference).

A variety of matters that fall within the scope of the Committee's powers according to the By-Laws, and the Board and Committee Regulations were addressed at the meetings.

In addition to the Committee members, executive directors, the HR Global Director, the ESG Director, the non-member Secretary of the Board of Directors and external advisors sporadically participated in Committee meetings to deal with issues that fall within their remit.

### 3.2 MAIN ACTIVITIES

The Committee's main activities in financial year 2022 were as follows:

#### (a) Members of the Board of Directors

The Committee issued a favorable report on the following re-elections and appointments of directors.

- Re-election of Bruce W. Brooks as an executive director and CEO of Fluidra.
- Re-election of Steven Langman as a nominee director of Fluidra.
- Re-election of José Manuel Vargas Gómez as a nominee director of Fluidra.
- Appointment of Bernat Garrigós Castro (formerly of Piumoc Inversions S.LU.) as a nominee director of Fluidra.
- Ratification of the appointment by co-option of Barbara Borra by the Board of Directors and her appointment as an independent director of the Company.

The Committee gave favorable decision to the Board in respect of the following changes to the committees:

- Appointment of Bernat Corbera to join the Appointments and Compensation Committee and Bernat Garrigós (formerly of Piumoc Inversions S.LU.) to join the Audit Committee.
- Re-election of Bruce W. Brooks as a member of the Delegated, Strategy and ESG Committee (formerly, the Delegated Committee).
- Re-election of José Manuel Vargas Gómez as a member of the Delegated, Strategy and ESG Committee (formerly, the Delegated Committee).
- Appointment of Barbara Borra as a member of the Delegated, Strategy and ESG Committee (formerly, the Delegated Committee).
- Re-election of José Manuel Vargas Gómez as a member of the Audit Committee.
- Re-election of Steven Langman as a member of the Appointments and Compensation Committee.

- Appointment of Albert Collado Armengol as the Non-Member Secretary of the Appointments and Compensation Committee.

The Committee also searches for candidates to fill the post of independent directors by following the selection process established in the selection policy, which places emphasis on talent and diversity.

### **(b) Members of the management team**

The selection process of the post of the President North America was successfully completed. The Board was informed of the termination of the President North America's contract and a selection process was carried out to find a candidate to fill this position, following which the Board was told that a candidate had been selected and about his contractual terms and conditions.

### **(c) Diversity, equity & inclusion (DEI) policy**

- The Committee examined and reported favorably to the Board about the Global DEI Policy, whose purpose is to protect our employees from any form of discrimination and ensure that they all have the same opportunities in comparable situations.

### **(d) Assessment of the Board**

- An assessment was conducted of the Board.
- Its structure, members and operation were analyzed, as was the individual performance of each Board member.
- The Committee analyzed the degree of compliance with the action plan to improve governance and the capacity for improvement fo-

llowing the Board's assessment in 2021.

- It approved and submitted an Assessment Report to the Board on its members and the way it and its Committees were run.
- Based on the results of the assessment of the Board in the previous year, a training plan was drawn up.

### **(e) Compensation of the members of the managing body and management team**

- In 2021, it evaluated the professional performance of the executive directors and senior management team, and reported favorably to the Board regarding the annual amount of variable compensation for 2021 to be received by the executive directors, the senior management team and the Internal Audit and Compliance Director, in light of the level of attainment of the strategic targets to which such compensation was linked.
- It analyzed and reported favorably to the Board on the amount of compensation paid to the Board members and senior management team in 2022 based on the benchmarks put in place.
- It analyzed and reported favorably to the Board on the individual annual targets for the executive directors and the senior management team for 2022.
- It analyzed and reported favorably to the Board on the update of the list of LTI beneficiaries in 2018–2022.
- It analyzed and reported favorably to the Board on the characteristics of the new 2022–2026 LTI including, amongst others, the type of plan, the standards for eligibility, tiers, metrics, targets and performance ratings.
- It analyzed and reported favorably to the

Board on the first 2022–2026 LTI Cycle in terms of the metrics and targets set, the weighting of each target by group of beneficiaries, in addition to the beneficiaries and the allocation of incentives to each of them.

It analyzed and reported favorably to the Board on the Board's Compensation Policy and it issued the corresponding report.

It analyzed and reported favorably to the Board on the increase to the top compensation paid to Directors on the basis of their functions.

#### (f) Pulse survey

- It examined the result of the pulse survey conducted in the organization to gauge the level of commitment, the net promoter score and senior management's style of leadership.

#### (g) ESG

- It analyzed and reported favorably to the Board on a number of amendments to the Board Regulations, mainly so that it could be adapted to the new features introduced by Act 5/2021, of 12 April, which modified the consolidated text of the Capital Companies Act, in respect of encouraging the long-term engagement of the shareholders of listed companies, introducing certain changes arising from the shareholding structure and the strategic importance conferred on ESG.

- It analyzed and reported favorably to the Board on the reassignment of powers related to ESG conferred on the Board's various committees: the Delegated, Strategy and ESG Committee is to advise the Board and submit proposals to it on the ESG strategy, and the powers of supervision and oversight of the Audit Committee (supervision and oversight of governance, risks related to ESG and the Group's Non-Financial

Statement) and the Appointments and Compensation Committee (environmental and social supervision and oversight).

- It analyzed the information to be included in the Annual Corporate Governance Report on the matters that fall within its remit, and reported favorably to the Board on its approval.

- It analyzed the information to be included in the Annual Report on Directors' Compensation and reported favorably to the Board on its approval.

- It analyzed the information to be included in the Annual Report on the Non-Financial Information Statement on the matters that fall within its remit and reported favorably to the Board on its approval.

- The Committee conducts a regular assessment and review of the Company's environmental and social policies, so that it fulfills its mission of promoting its corporate interests, and that they take into account, as may be the case, the legitimate interests of all other stakeholders, as well as ensuring that the Company's practices in environmental and social matters are in line with the strategies and policies put in place.

## 4. CONCLUSIONS

In 2022, the Committee dutifully performed the functions assigned to it in the Company's By-Laws, and the Board and Committee Regulations.

