

**Report issued by the Appointments and Remuneration Committee of Fluidra,  
S.A. on the proposal to approve the Directors' Remuneration Policy**

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24 March 2025

## 1. Introduction

Section 529 novodecies of the Capital Companies Act ("**LSC**") stipulates that the Directors' Remuneration Policy must fall in line with the remuneration system provided for in the Articles of Association and be approved by the annual general meeting. The draft Directors' Remuneration Policy shall be duly justified and must be accompanied by a specific report written by the Appointments and Remuneration Committee ("**ARC**"). The two documents must be made available to the shareholders on the company's website as of the call of the annual general meeting. Shareholders will be entitled to have them sent to them free of charge.

This document is the report issued by the ARC of Fluidra, S.A. ("**Fluidra**" or the "**Company**") justifying the approval of the Company's Directors' Remuneration Policy that will remain in force from the date in 2025 on which it is approved by Fluidra's AGM, through to fiscal years 2026, 2027 and 2028 (the "**Remuneration Policy**" or "**Policy**"), which has been submitted to Fluidra's board of directors ("the **Board**" or "**Board of Directors**") so that it may in turn put it forward for approval by the AGM.

## 2. Report on the Remuneration Policy

In 2024, the Remuneration Policy applicable as of the financial year 2024, from the date of its approval, until December 31, 2027, was approved.

However, the change in the composition of the Board of Directors through the appointment of a new chief executive officer ("**CEO**") at Fluidra, as tabled for approval together with this Policy by the Annual General Meeting, has made it necessary to adapt the Remuneration Policy, which will enter into force on the date of its approval until 31 December 2028.

The Remuneration Policy whose approval is being proposed maintains continuity with the policy currently in force regarding the principles, structure and the content of remuneration packages. It therefore adheres to the same principles and rules as the previous policy, namely, that remuneration should be reasonably proportional to the size of the Company, its financial position and market standards for comparable companies, and should be geared towards promoting the creation of value sustainable over the long term by linking the remuneration of directors to results and to the shareholders' best interests, while including the necessary safeguards to avoid excessive risk-taking and reward of poor performance.

This Remuneration Policy is in line with the best practices in corporate governance and market trends, as well as being transparent so that the principles on which it is based can be clearly appreciated.

(i) Qualitative aspects

From a qualitative standpoint, the Remuneration Policy follows the same principles and lines as the last policy approved by the AGM in 2024, as it remains transparent and clearly sets out the principles on which it is based.

(ii) Qualitative aspects

The main quantitative changes introduced in the Remuneration Policy are as follows:

- Adjustment of the remuneration of the executive Directors (the "**Executive Directors**") to align the remuneration of the new CEO, whose appointment will be tabled for approval together with this Policy by the AGM.

Regarding the new CEO, his remuneration is backed by a comparative analysis with the aim of aligning his remuneration to that of Executive Directors in comparable companies, based on Fluidra's size, sector, and the domestic and international markets in which it operates. This analysis was conducted by the consultancy Willis Towers and Watson, based on the following criteria for selecting a baseline group: companies in the industrial sector, including companies that are competitors in the pool sector, and other companies considered competitors in respect of recruiting similar talent, whose turnover and market capitalization is approximately between 25 and 400% of Fluidra's. The companies selected to carry out this comparative study are based in the United States as the new CEO was selected from among candidates from this country and its operational headquarters will also be in the United States, due to the relevance of the American market, both in terms of the current context and of Fluidra's strategy for the future. The Executive Chairman's remuneration has not undergone any changes in comparison with the previous policy, other than the annual review of his fixed remuneration set in the same proportion as that of the management team.

- Description of the main characteristics of the long-term incentive for the key and executive directors that is being tabled for approval together with this Policy (the "**2025–2029 Plan**"), following the start of the third and last cycle of the 2022–2026 Plan on 31 December 2024. The structure of the 2025–2029 Plan will follow along the same lines as the 2022–2026 Plan, as it is also made up of 3 cycles that each last for 3 years.

The Remuneration Policy aims to ensure that the Directors' remuneration is reasonably proportionate in terms of the size of the Company, its financial

situation and the market standards for comparable companies, in order to attract and retain talent. The remuneration policy in place is intended to encourage long-term sustainable value creation by linking the Directors' remuneration to results and the best interests of shareholders by introducing the measures required to prevent taking on excessive risks and rewarding poor performance.

### **3. Term**

Notwithstanding the provisions of the LSC on the remuneration policies of board members, the Remuneration Policy will remain in force from its date of approval in 2025 through to fiscal years 2026, 2027 and 2028, unless it is amended, adapted, updated or replaced at any time, in which case such changes will be submitted to the Annual General Meeting for approval.

### **4. Conclusions**

Based on the foregoing, the ARC has concluded that the Remuneration Policy that it has put forward for approval to the Board of Directors so that it may, in turn, submit it to the Annual General Meeting for approval, which has been attached as a **SCHEDULE**, complies with the laws in force and follows the latest recommendations and best practices on remuneration, as well as falling in line with the following principles:

- Contribution to the business strategy and to the long-term interests and sustainability of the Company.
  - Long-term variable remuneration must be subject to a target measurement period of at least three years.
  - Measures are included that are designed to mitigate risks (malus and clawback clauses in respect of long-term variable remuneration, the absence of guaranteed variable remuneration, and the obligation to hold shares received in the settlement of long-term remuneration for a set term and at a set amount).
  - Variable remuneration is linked to the achievement of objectives, including, amongst others, ESG targets that are aligned with the Company's corporate interests, strategic plan and long-term sustainability.
- Fairness proportionate with the pay conditions of the Company's employees as a whole.
- Balance between the various remuneration items.

- The remuneration paid falls in the framework of the principle of prudence and provides incentives, in line with the Directors' levels of responsibility, workload, expertise and performance in the discharge of their duties.
- Remuneration is in keeping with the principles and recommendations adopted by the Company on Corporate Governance matters.
- Remuneration responds to market standards and practices and is consonant with the Company's strategic approach, as a result of which it is effective for attracting, motivating and retaining the best professionals, with the assistance of external advisors should this be necessary.

In view of what has been discussed in this report, the ARC has concluded that the Remuneration Policy is in keeping with the principle of prudence and reflects best market practices, as it is in line with the Directors' levels of responsibility, functions and performance in the discharge of their duties.

In the opinion of the ARC, all of the above allows the Company to have a suitable Directors' Remuneration Policy in place for the coming years that pursues creating value for the Company, through prudent risk management, aligned with the best interests of shareholders and with the guidelines on Corporate Governance, all of which takes account of the current size and position of the Company in the market.

## **SCHEDULE**

### **Fluidra S.A. Directors' Remuneration Policy**