

# 2023

**ANNUAL REPORT ON THE ACTIVITIES  
OF THE APPOINTMENTS  
AND COMPENSATION COMMITTEE**

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# 1. PRESENTATION

Pursuant to recommendation 6 of the Good Governance Code of Listed Companies drawn up by the CNMV, and in accordance with Article 29 of the Regulations of the Appointments and Compensation Committee (the "Committee") of Fluidra, S.A. ("Fluidra" or the "Company") ("Regulations of the Committee"), attached is the Annual Report on the Committee's operation and activities for fiscal year 2023, approved by the Committee on March 15, 2024 and ratified by the Company's Board of Directors ("Board") on March 19, 2024.

## 2. COMPOSITION, PURVIEW AND FUNCTIONING OF THE APPOINTMENTS AND COMPENSATION COMMITTEE AND MEETINGS IN 2023

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 having regard to their knowledge, skills and experience, as well as to 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, 2023, the Committee was made up of the following directors appointed by the Board:

Name	Post		Length of Service on the Committee
Esther Berrozpe Galindo	President	Independent	06/09/2019
Jorge Valentín Constans Fernández	Director	Independent	01/12/2015
Bernardo Corbera Serra	Director	Proprietary	05/05/2022
Michel Steven Langman	Director	Proprietary	14/06/2021

### COMMITTEE MEMBER PROFILES



Esther Berrozpe Galindo

Born in 1970, Esther Berrozpe has an extensive international career spanning three decades. She has worked in consumer goods companies in positions of increasing responsibility in both Europe and North America. She has extensive experience in the commercial, industrial and logistics sectors, talent management and cultural change, as well as in mergers and acquisitions.

Esther currently holds the positions of CEO and Director of Attindas Hygiene Partners, a global leader in the personal hygiene industry.

Before joining Attindas, Esther was CEO of Ontex, an international personal hygiene group listed on Euronext Brussels. Prior to Ontex, Esther worked for 19 years at Whirlpool Corporation, a global leader in the domestic appliance industry, where she held various management positions, the last one as President of Europe, Middle East and Africa, and Executive Vice President of the company. Earlier in her career, Esther worked for Paglier, Sara Lee and the Wella Group.

Esther Berrozpe was senior director at American Industrial Partners (AIP) and independent director at Pernod Ricard, Ontex Group and Roca Corporación.

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**

Born in 1964, Jorge Constans holds a degree in economics from the University of Barcelona, PDG (General Management) from IESE, and ADE (Business Administration) 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 €B and a presence 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 1965, Bernardo Corbera Serra holds a degree in Business Administration from E.S.E.I. and a P.A.D.E. (Senior Management) from IESE. He has held various positions in the Fluidra Group in the past, although he does not currently provide services for the company. 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. In 1993, he moved to the USA and took charge of market research and the later establishment of Astral Products and Polytank in that country. In 1999 he joined the Astral Group as head of North America and Mexico and was appointed to its Executive Committee. In 2000 he was appointed to the Board of Directors of Fluidra, as well as CEO of Edrem S.L., a family investment company. He also directs and is a member of the board of directors of Beran Cartera, S.L.



**Don M. Steven Langman**

Born in 1961, Steven Langman co-founded Rhône in 1996 and has been responsible for the day-to-day management of the firm since its incorporation. 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 thirty years of experience in finance, analysis and investments in public and private companies. Besides Fluidra, S.A., Mr. Langman currently sits on the Board of Directors of several companies in Rhône's investment portfolio, including 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 or 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.

- To submit to the Board the proposed appointments of independent directors for their designation by co-option or for submission to a vote at the Shareholders' Meeting, as well as proposals for the re-appointment or removal of such directors by the Shareholders' Meeting.
- To report on the proposed appointments of other directors for their designation by co-option or for submission to a vote at the Shareholders' Meeting, as well as on proposals for their re-appointment or removal by the Shareholders' Meeting.
- To examine or organize, in appropriate form, the process for succession of the Chairman and Managing Director, making recommendations to the Board of Directors so the handover proceeds in a planned and orderly manner. For these purposes, the Appointments and Compensation Committee drafts a succession plan that is regularly reviewed so as to adapt it to any new needs and circumstances of the Company.
- Prepare and review the criteria to be followed in configuring the management team of the Company and its subsidiaries and in selecting candidates;
- To report on, and submit to the Board proposals for appointments and dismissals of senior executives and other executives as proposed by the executive chairman or the managing director, as well as the basic conditions of their contracts.

- To report to the Board of Directors on the matters relating to gender diversity and the qualifications of directors pursuant to article 6.5 of the Board of Directors Regulations;
- To set a target for the number of female members on the Board of Directors and develop guidelines on how to achieve this target.
- To propose to the Board of Directors: (i) the Remuneration policy for directors and senior executives and (ii) the individual Remuneration of executive directors and senior executives and the other terms of their contracts; and
- To ensure compliance with the Remuneration policy established by the Company and the transparency of Remuneration.

The Appointments and Compensation Committee is also responsible for the following

### **Additional functions**

- Periodically review the structure of the Board of Directors and its committees and advise the Board of Directors on the most appropriate configuration in terms of size and balance between the different types of directors;
- Propose to the Board of Directors a selection policy designed to favor the adequate composition of the Board and one that is specific and verifiable so as to ensure 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;
- Establish a representation objective for the under-represented gender on the Board of Directors and develop guidance on how to achieve this objective;
- Ensure that when vacancies are filled or when new directors are appointed, the selection procedures do not suffer from implicit bias which could be discriminatory;
- Propose the appointment or removal of members of the Audit Committee, the Appointments and Compensation Committee and the Executive Committee, strategy and ESG, verifying that the composition of each committee meets the conditions of professional experience, competence and diversity. When proposing directors for re-election, the Appointments and Remuneration Committee takes into account the same factors as for the first appointment. The Committee also assesses the director's performance during his/her time in office and the ability to continue performing satisfactorily;
- Propose or communicate the resignation or removal of directors when:
  - (a) they are subject to any of the conditions of prohibition or incompatibility provided for in law, the By-laws, or these Regulations;
  - (b) a shareholder represented by the director sells their shares or reduces their shareholding; (c) they are affected by any other situation, whether or not related to their performance at the Company, which could seriously damage the Company's image or reputation;
- Ensure that the Board of Directors adequately publicizes the circumstances and reasons for the resignation before the director's term of office comes to an end, either by resignation or by resolution of the General Shareholders' Meeting.
- Promote and coordinate 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;
- Submit the results of the evaluation to the Board of Directors together with a proposed action plan or recommendations to correct any deficiencies detected or to improve the operation of the Board of Directors or its committees;
- As part of the evaluation, monitor the directors' attendance at meetings;
- Evaluate the skills, expertise and experience required to be a Board member and to that end: (a) prepare 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) evaluate the time and dedication required for them to effectively perform their duties; and (c) promote refresher training for directors, as needed;
- Verify the independence of any external consultant that may periodically advise the Board of Directors evaluating the performance of the Board of Directors and its committees.
- To propose to the Board of Directors:
  - The system and amount of annual remuneration for executive directors and senior executives;
  - The individual remuneration and other basic terms and conditions of the contracts with executive directors and senior managers;
  - The remuneration policies of directors and members of senior management, reviewing them periodically and, where appropriate, proposing changes and updates to

the Board of Directors, verifying their alignment with the particular circumstances of the Company.

- To inform the Board of Directors of the individual remuneration of each director in their capacity as such in accordance with the by-laws and the remuneration policy;
- To prepare and submit to the Board of Directors for approval the Annual Report on Remuneration of Directors;
- Periodically review the terms of the agreements of executive directors and senior executives and verify that they are consistent with the applicable remuneration policies;
- Oversee the fulfillment of the remuneration policies of directors and senior executives;
- To assess the level of achievement in respect of the criteria and objectives set for the previous year for the purposes of determining the motion on individual remuneration, including the variable components thereof of the executive directors and senior executives;
- Make sure that the selection and remuneration policies are consistent with the Company's short, medium and long-term situation and strategy and with market conditions, and assess whether they contribute to the creation of long-term value and to the adequate management and control of risks, informing the Board of Directors of the results;
- To verify that the information published by the Company on its corporate website regarding remuneration is sufficient and appropriate and follows applicable good corporate governance recommendations with a transparent process for drafting the proposal of the remuneration policies.
- Report on proposals for the appointment and removal of senior officers and gather information on the evaluation process. In this regard, prepare a succession plan for the Company's senior executives to ensure an orderly and carefully planned succession;
- Periodically design and organize onboarding programs for Board Members as deemed appropriate;
- Issue reports and take actions falling within its scope of authority or requested by the Board of Directors or the Chairman;
- To periodically evaluate and review the Company's environmental and social policies to ensure that they fulfill their mission of promoting the social interest and take into account, as appropriate, the legitimate interests of other stakeholders, as well as to supervise the Company's practices in environmental and social matters to ensure that they are in line with the strategy and policy in place;
- Ensure that the corporate culture is aligned with the purpose and values of the corporate governance standards; and

- Review the non-financial information for the Company and, where applicable, for the Group relative to matters falling under the jurisdiction of the Appointments and Compensation Committee.

## 2.3 Functioning

Although the Committee meets ordinarily on a quarterly basis, it will also meet when called by the Chairman, provided that the Board or the Board 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 shall be deemed to be validly assembled when at least the majority of committee members are present in person or by proxy.

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

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

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

## 3. ACTIVITIES OF THE 2023 FISCAL YEAR

### 3.1 Meetings

The Committee met eight times in 2023.

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 (Chief HR Officer)**, the CFSTO, and the ESG Director, the non-director Secretary of the Board of Directors and external advisors have sporadically participated in Committee meetings to present issues falling under their purview.

### 3.2 Principal activities

The Committee's main activities in financial year 2023 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.

- Appointment of Mr. Manuel Puig as proprietary director for a term of 4 years.
- Appointment of Ms. Aedhmar Hynes as independent director for a term of 4 years.
- Re-election of Mr. Jorge Constans as independent director for a term of 2 years.

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.

The Committee has reported favorably to the Board on the following changes in the composition of the committees:

#### (i) Appointments and Compensation Committee

Ratification and re-election of Mr. Jorge Valentín Constans as a member of the committee for the duration of his term of office.

#### (ii) Audit Committee

Appointment of Ms. Esther Berrozpe as a member of the committee, for the duration of her term of office.

Ratification and re-election of Mr. Jorge Valentín Constans as a member of the audit committee for the duration of his term of office as director.

#### (iii) Delegated, Strategy and ESG Committee

Appointment of Ms. Aedhmar Hynes as a member of the committee, for the duration of her term of office.

Ratification and re-election of Mr. Jorge Valentín Constans as a member of the committee.

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

- The succession process for the position of **Global HR Director (Chief HR Officer)** has been completed. The Board has been favorably informed of the agreement to terminate the contract of the Global HR Director and has completed the process of selecting a candidate to occupy said position, reporting favorably to the Board in relation to said candidate and their contractual terms and conditions.
- The Board has been favorably informed of the appointment of Ms. Clara Valera, Corporate Strategy & Business Development Director, as a member of the MAC.

#### (c) Annual reports

It analyzed the information to be included in the following annual reports on matters within its purview, and reported favorably to the Board on their approval: Integrated Report, Annual Corporate Governance Report, Annual Director Remunerations Report and Annual Report on the Activities of the Appointments and Compensations Committee.

#### (d) Evaluation of the Board

- It conducted the evaluation of the Board.
- Analyzed the structure, composition and operation of the Board as well as the individual performance of each Board member.
- It analyzed the degree of compliance with the action plan to improve governance and the capacity for improvement following the Board's evaluation in 2022.
- It approved and presented to the Board the Evaluation Report on the composition and functioning of the Board and its Committees.
- It reported favorably to the board for approval of the 2023 action plan resulting from the evaluation of the board.

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

- It evaluated the professional performance, in 2022, of the executive directors and senior management team, and reported favorably to the Board regarding the annual amount of variable compensation, for 2022, 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 proposed salary review of the management team for 2023, based on the company's current situation and results.
- It analyzed and reported favorably to the Board on the annual strategic, financial, ESG and individual targets of the executive directors and management team for fiscal year 2023.
- It analyzed and reported favorably to the Board on the update of the list of beneficiaries of the LTI 2022-2026.
- In relation to the second Cycle of the LTI 2022 - 2026, it analyzed and reported favorably to the Board on the metrics and targets of each one, the weight of each metric by group of beneficiaries, as well as the beneficiaries, the allocation of units to each one of them and the cost.

### **(f) Global Shares Plan**

The characteristics of the new Global Plan for the incentive purchase of shares in Fluidra S.A. ("Global Shares Plan" or "ESPP") for employees of the Fluidra Group were analyzed and reported favorably to the Board.

During the year, the ESPP was monitored to put in place an action plan for its improvement.

### **(g) Global HR Strategy**

The Fluidra Group's Global HR strategy 2024-2026 was analyzed, together with its alignment with the Fluidra Group's organizational model and strategic plan, to promote a resilient organizational model for adaptation to the future.

It reviewed the talent map and succession plans for key positions at Fluidra.

### **(h) Engagement Survey**

The results of the organization's third Engagement Survey were analyzed to measure the level of commitment, the employee net promote score and the determining levers. The aim is to identify critical points and areas for improvement so as to put in place the corresponding action plans.

### **(i) Wage gap**

The methodology and calculation of the gross and adjusted wage gap and its evolution in comparison with 2022 were analyzed—confirming a substantial improvement—in order to meet the 2024 target (No wage GAP).

### **(j) Pulse ESG**

The result of the internal work carried out by the group's management team on the ESG strategy and action plan was analyzed.

### **(k) Modificación de los Estatutos Sociales y el Reglamento del Consejo**

The Board was favorably informed of the proposal to amend Article 36 of the Company's Bylaws (regarding the composition of the Board) and the following articles of the Board Regulations:

- Article 16: Reinforce the requirement to attend Fluidra's board meetings.
- Article 15: Reinforce the need for an annual evaluation of the Board, incorporating the mandatory assistance of a consultant in the evaluation process every three years.
- Article 25: Limit to four the maximum number of boards of listed companies—in addition to Fluidra itself—in which a Fluidra director may be a member of the management body.

### **(l) Policy Update**

The Board was favorably informed of the proposed modification of the Director Selection Policy in order to (i) ensure a better gender balance, (ii) extend the absence of bias to other areas of diversity (nationality, country of origin, cultural background and capacities) and (iii) limit to a maximum of 2 years the period for re-election of an independent director, as from the second re-election, to provide more flexibility for the transition of directors in case it is necessary for the Company.

### **(m) Measures to increase gender diversity on the Board**

The Committee has worked with the Board during 2023 on a series of measures and plans to increase the gender diversity on the Board, to comply with Recommendation 15 of the Good Governance Code of Listed Companies and to ensure that future selection processes to fill new vacancies continue to favor gender diversity on the Board and that the target of having at least 40% women on the Board by June 2025 is achieved.

At the initiative of the Committee, the Board has taken certain actions that will enable it to reach the 40% target after the 2025 General Shareholders' Meeting:

- To propose an increase in the number of members of the Board of Directors to 14 members in order to incorporate a

new female director, by means of the corresponding amendment to the Bylaws.

- The modification of the Selection Policy approved on 9 May 2023, referred to in section (I) above. As proof of this and following the amendment, at the General Shareholders' Meeting held on 10 May 2023, the director Mr. Jorge Valentín Constans was reappointed for two years.

In addition, the Board intends, following a proposal by the Committee, to propose at the 2024 General Shareholders' Meeting the renewal of director Mr. Brian McDonald for one year. This could result in two new vacancies at the 2025 Annual General Meeting of Shareholders.

Furthermore, the Company is working to increase the number of female senior managers on its management committee (MAC). In this regard, during the first quarter of 2024, two new female senior managers joined the MAC, resulting in the MAC currently being composed by 11 members, 3 of which are women (27.27%).

## 4. CONCLUSION

In 2023, the Committee has dutifully performed the functions assigned to it in the Company's by-laws and the Board Regulations.