

**Favorable report of the Board of Directors on the proposal for ratification of the appointment by co-option and election of Ms. Esther Berrozpe Galindo as a member of the Board of Directors of Fluidra**

In Sabadell, on March 25, 2020

# **FAVORABLE REPORT SUBMITTED BY THE BOARD OF DIRECTORS OF FLUIDRA S.A., ASSESSING THE COMPETENCE, EXPERIENCE AND MERITS OF MS. ESTHER BERROZPE GALINDO FOR HER APPOINTMENT BY CO-OPTION AND ELECTION AS A MEMBER OF THE BOARD OF DIRECTORS OF FLUIDRA, S.A.**

## **1. Purpose of the Report**

The Board of Directors of Fluidra S.A. (the “**Company**” or “**Fluidra**”) issues this report on the proposed ratification of the appointment by co-option and election of Ms. Esther Berrozpe Galindo as a member of the Board of Directors, taking into account the provisions of the bylaws, the system contemplated in the Corporate Enterprises Law and the principles of the Code of Good Governance of listed companies.

In accordance with articles 244 and 529 decies of the Corporate Enterprises Law, Ms. Esther Berrozpe Galindo was appointed as an independent director by co-option at the Board meeting held on May 7, 2019, with effect from September 6, 2019, to cover the vacancy generated on the Board of Directors as a consequence of the resignation from the post of director by Mr. Juan Ignacio Acha–Orbea Echevarría in accordance with the Board of Directors’ Regulations, due to having been an independent director of the Company for 12 years. In accordance with articles 244 and 529 decies of the Corporate Enterprises Law, appointments by co-option are temporary and must be ratified, as appropriate, at the following shareholders’ meeting held by the Company after the appointment.

## **2. Internal procedure for making resolution proposals**

### **2.1 Selection process**

There follows a summary of the internal procedure followed by the different bodies of the Company to make the resolution proposal presented to the Ordinary Shareholders’ Meeting.

As stated in the Annual Corporate Governance Report relating to fiscal year 2018, published in March 2019, the Appointments and Compensation Committee initiated in 2018 a process for selecting candidates to fill two vacancies that would arise in 2019. Previously, the Board of Directors carried out an assessment process with the assistance of an external advisor to identify the profiles which they felt needed to be reinforced on the Board.

The Company received external advice from the independent firm Spencer Stuart in the candidate search and selection process.

In the candidate selection, meritocracy prevailed as the main selection criterion, although the external advisor was expressly asked to give importance to the need

for female candidates, placing special value on women with the desired profile, where the potential candidates met the same conditions, as members of the Board of Directors. Due to the results of the Board evaluation for 2018, it was concluded that one of the specific characteristics that should also prevail in the selection was for the candidate to have extensive international experience in multicultural environments; a professional career in the industrial and commercial sectors; a great capacity to manage people and teams in complex situations; a clear focus on people, clients and results; a global vision and strategy with analytical ability; a groundbreaking and innovative mindset; and experience in managing company mergers, absorptions or restructuring processes.

In view of the proposed candidate's experience and merits for holding the post of director, her business and professional honorability and willingness to pursue good governance at the Company, particularly her ability and professional career, the Board of Directors, having reviewed the favorable proposal by the Appointments and Compensation Committee dated March 24, 2020, resolved to propose to the Ordinary Shareholders' Meeting to ratify the appointment by co-optation of Ms. Esther Berrozpe Galindo made by the Board of Directors last May 7, 2019, and, at the proposal of the Appointments and Compensation Committee, to appoint her with the category of independent director of the Company, according to the definitions established in article 529 duodecies of the Corporate Enterprises Law.

### **3. Favorable report**

#### **3.1 Professional profile and background**

In relation to the proposed appointment of Ms. Esther Berrozpe Galindo as independent director of Fluidra, the Board of Directors has taken into account the following factors, among others, based on the information in the candidate's CV and her professional background:

- Ms. Berrozpe is a senior executive with 25 years of experience in leading companies both in the consumer goods and durable goods sectors. At Whirlpool, she has developed a long career, performing functions of leadership both in Europe and in the United States.
- Ms. Berrozpe has broad experience in consolidating brands, reengineering product platforms, consolidating industrial and logistics implementation, optimizing the supply chain, systems reengineering processes, all due to her great capacity for innovation and digital transformation, as well as in managing mergers and acquisitions.
- Ms. Berrozpe is an executive with clear experience in leading multicultural teams, managing diversity, generating and leading changes and cultural transformation and

consolidation, developing multidisciplinary teams, and generating and developing talent, and she has remarkable communications skills and influence.

In order to complete this information, the CV of Ms. Esther Berrozpe Galindo is attached to this Report as Schedule 1.

### **3.2 Assessment made by the Board of Directors**

#### **3.2.1 Dedication**

Regarding the capacity of dedication for performing the post of director of Fluidra, the Board has verified that the other professional occupations of Ms. Berrozpe, which are included in the professional profile set forth above, permit her to give appropriate effective dedication to the Board of Directors and to the Committees which she may belong to as a member at Fluidra.

#### **3.2.2 Previous performance in the post**

Ms. Berrozpe has held the post of director and member of the Appointments and Compensation Committee of Fluidra since September 2019. The Board of Directors has verified the appropriate performance of her post and the high level of attendance and informed participation at the meetings of the Board and of the Appointments and Compensation Committee, which justifies the proposal for her appointment.

In short, the Board of Directors considers that Ms. Berrozpe's career at the Company evidences that she has the appropriate skills, experience and merits to continue performing the post of director.

#### **3.2.3 Suitability and appropriateness of her knowledge, skills and experience for the professional profile defined by the Board of Directors and the Appointments and Compensation Committee.**

In the analysis of Ms. Berrozpe's suitability, her professional career and profile have been taken into account. After analyzing her CV, the Board of Directors considers that her profile includes all the skills and experience necessary to perform the post of director of Fluidra, considering that they are an important addition to and enrich the Board as a whole.

Moreover, Ms. Berrozpe's professional, international profile appropriate for the particularities of the Company's business and the sectors and countries where it operates.

Also, Ms. Berrozpe's skills and experience in the area of corporate mergers and acquisitions, redefining processes, structures and brands, managing cultural, change talent and diversity, and her digital and innovation abilities, provide much value to the Board.

### 3.2.4 Diversity

The Board of Directors and the Appointments and Compensation Committee have attempted, through the process of assessment of candidates for the Board, to ensure that the Company has the best professionals on its governing body, evaluating not only the technical skills and experience in the fields and industries relevant to the post, but also the principle of diversity contemplated in the code of good governance for listed companies of 2015 - approved by the Spanish National Securities Market Commission - in the legislative framework in force.

In view of Ms. Berrozpe's CV, it may be verified that she provides diversity to the Board of Directors, as regards her profile and professional expertise. Regard should also be had to her condition as a woman, which permits advancing in the fulfillment of the aim of increasing the presence of the less represented gender on the Board.

#### **4. Category of Ms. Esther Berrozpe Galindo as director**

According to article 529 duodecies of the Corporate Enterprises Law, the Appointments and Compensation Committee proposes that Ms. Berrozpe have the category of independent director, based on the conclusion that there are not personal or professional circumstances that prevent or in any way hinder her status of independent.

#### **5. Term of office**

The term of office of Ms. Berrozpe, whose appointment is proposed, will be for the period of four years according to the bylaws, starting from the moment when the Shareholders' Meeting resolves to reelect her. In accordance with article 222 of the Corporate Enterprises Law, the appointment of board members shall expire, after the term of office has ended, once a shareholders' meeting has been held or once the statutory period has elapsed for holding the shareholders' meeting that is to resolve on the approval of the financial statements for the previous year.

#### **6. Resolution proposal submitted to the Shareholders' Meeting**

In view of what is stated in this report, the Board of Directors submits the following proposed resolution to the Ordinary Shareholders' Meetings:

*“At the proposal of the Appointments and Compensation Committee, the Board of Directors proposes ratifying the appointment by co-option of Ms. Esther Berrozpe Galindo made by the Board of Directors on May 7, 2019, with effect from September 6, 2019, to cover the vacancy generated on the Board of Directors as a consequence of the resignation from the post of director by Mr. Juan Ignacio*

*Acha-Orbea Echevarría in accordance with the Board of Directors' Regulations, due to having been an independent director of the Company for 12 years, and, at the proposal of that Committee, reelecting and appointing Ms. Esther Berrozpe Galindo as director of the Company with the category of independent for the purposes of article 529 duodecies of the Corporate Enterprises Law.*

*It is resolved to ratify the appointment by co-option made by the Board of Directors on May 7, 2019, with effect from September 6, 2019, and to reelect her and appoint her as director of the Company, with the category of independent, for the term of four years established by the law and the bylaws, with effect from the date of adoption of this resolution.”*

## **Schedule 1**

Esther Berrozpe was President for Europe, the Middle East and Africa and Executive Vice President of Whirlpool Corporation, a world leader in the large appliances sector, which in 2018 had annual sales of 21 billion dollars, 92,000 employees and 65 production, research and development centers.

She got her degree in Economics and Business Studies from Universidad de Deusto in San Sebastián, and led the process of integration and transformation of the company after Whirlpool acquired Indesit Company in 2014.

Ms. Berrozpe has extensive international background, having spent more than two decades at consumer goods companies, and she has held positions of responsibility both in Europe and the United States. She has also worked for Paglieri, Sara Lee and Wella Group.

She has broad experience in consolidating brands in the industrial and logistics fields and in managing talent and culture of change, as well as in mergers and acquisitions.

Besides Fluidra, Ms. Berrozpe holds the post of independent director at the companies Pernod Ricard, Roca Corporación Empresarial and Ontex Group.