

**Reasoned report issued by the Board of Directors of Fluidra, S.A. on the proposal for approval of the directors' compensation policy**

---

March 30, 2022

## 1. Introduction

Article 529 novodecies of the Capital Companies Law (“CCL”) requires the shareholders’ meeting to approve the policy on directors’ compensation every three years at least. The compensation policy proposed by the board of directors must be reasoned and must be accompanied by a specific report issued by the appointments and compensation committee. Both documents must be made available to the shareholders on the company’s website as from the issue of the notice calling the Shareholders’ Meeting, and express mention must be made of the shareholders’ right to request that they be delivered or sent to them free of charge.

In accordance with article 529 novodecies of the CCL, the board of directors of Fluidra, S.A. (“**Fluidra**” or the “**Company**”), following a report by the appointments and compensation committee (“**ACC**”) which is attached hereto as **SCHEDULE I**, has approved this reasoned proposal for approval of the directors’ compensation policy of Fluidra for the years 2022, as from its date of approval, 2023 and 2024 (the “**Compensation Policy**”), which shall be submitted for approval by the Company’s shareholders’ meeting (the “**Shareholders’ Meeting**” or “**Meeting**”) on May 5, 2022.

## 2. Justification for the proposal

A new compensation policy was approved in 2021 given that the term of the previous compensation policy, approved by the Meeting in 2018, had come to an end. This policy was drawn up at a time when there was still uncertainty as to the impact that the pandemic could have on 2021 results. However, with fiscal year 2021 now closed and the Group's new scope having been consolidated, it is considered necessary to submit to the Shareholders’ Meeting for approval a new Compensation Policy, applicable as from the date of its approval and up to December 31, 2024.

The Compensation Policy proposed for approval continues along the same lines as the policy currently in force insofar as relates to principles, structure and the content of compensation packages. It therefore adheres to the same principles and bases as the previous policy, i.e. that compensation should be reasonably commensurate to the importance of the Company, its financial position, and market standards among comparable companies, and should be geared towards promoting the creation of value sustainable over the long term, linking the compensation of directors to results and to shareholders’ interests, while including the necessary safeguards to avoid excessive risk-taking and the rewarding of poor results.

However, it has also been considered advisable to include certain adjustments which will allow for greater alignment with all stakeholder groups, with the Group’s strategy, and with practices seen in comparable sectors and companies, taking into account Fluidra's new scope and position in the market following the growth seen since the merger and, in particular, in

2021, the acquisitions made - particularly in 2021 - , and its inclusion in the Ibex-35 index; this is in addition to the inclusion of the changes necessary to adapt the Policy to the amendments made to the revised CCL, approved in 2021. An analysis has been made for these purposes of the information received from institutional investors and proxy advisors, as well as the provisions of the Good Corporate Governance Code in relation to directors' compensation.

This Compensation Policy is in line with best corporate governance practices and trends in the market, its format allowing for greater transparency and setting out clearly the principles on which it is based.

From a quantitative perspective, the Compensation Policy includes the following changes, the purpose of which is to ensure that the compensation paid is competitive in relation to that offered by comparable companies at domestic and international level, in light of the comparative study carried out for this purpose, in respect of executive directors, by external and independent firms:

- modification of the maximum total compensation per annum payable overall to the directors in their capacities as such. The fixed compensation paid to each Board member, and the compensation payable for membership of the various Board committees is also increased, effective as from June 2022.
- modification of the fixed compensation per annum corresponding to the executive directors and the variable compensation per annum of the Chief Executive Officer, and
- a new long-term incentive plan (the “2022-2026 Plan”) for executive directors and key executives of the Fluidra Group, which is submitted to the Shareholders' Meeting for approval along with this Policy.

### **3. Term**

Without prejudice to the provisions of the CCL as regards compensation policies for board members, the Compensation Policy will be valid for the years 2022, as from the date of its approval, 2023 and 2024, save for any modifications, adaptations, updates or replacements agreed from time to time, which shall be submitted for approval to the Fluidra Shareholders' Meeting.

#### 4. Conclusion

Based on the above, the conclusion reached by the Board of Directors of Fluidra, following a favorable report by the ACC, is that the Compensation Policy proposed to the Fluidra Shareholders' Meeting for approval, which is attached hereto as **SCHEDULE II**, complies with the current legislation and follows the latest recommendations and best practice in compensation matters, while also complying with the following principles:

- It contributes to the business strategy and to the long-term interests and sustainability of the Company, to value creation, and to the achievement of ESG (*“Environment, Social and Governance”*) objectives.
- It is clear and comprehensible and describes the different components of fixed and variable compensation awarded to the directors.
- The amount of compensation complies with the principle of prudence, serves as an incentive, and is in keeping with the level of responsibility, dedication, qualifications and degree of professional involvement of the directors in their functions.
- It complies with the principles and recommendations assumed by the Company in relation to Corporate Governance.
- It is in keeping with market standards and practices and with the Company's strategic planning, and is effective as a means of attracting, motivating and retaining the best professionals.

## **SCHEDULE I**

**Report issued by the appointments and compensation committee of Fluidra, S.A.  
on the proposal for approval of the directors' Compensation Policy.**

**SCHEDULE II**

**Directors' Compensation Policy of Fluidra S.A.**