

FLUIDRA



DIRECTORS' COMPENSATION
POLICY OF FLUIDRA S.A.

Text subject to approval by the
Shareholders' Meeting of

May 5, 2022

1. INTRODUCTION.....	3
2. GENERAL PRINCIPLES AND PRACTICES.....	4
2.1. GENERAL PRINCIPLE.....	4
2.2. PRACTICES	5
NON-EXECUTIVES DIRECTORS	6
EXECUTIVE DIRECTORS.....	6
3.1. COMPENSATION COMPONENTS	7
3.2. BREAKDOWN OF COMPENSATION ENVISAGED FOR THE YEARS COVERED BY THE COMPENSATION POLICY	7
4.1. COMPENSATION COMPONENTS	9
4.2. BREAKDOWN OF COMPENSATION ENVISAGED FOR THE YEARS COVERED BY THE COMPENSATION POLICY	12
4.3. RELATIVE PROPORTIONS OF COMPENSATION COMPONENTS.....	14
COMPENSATION MIX OF FIXED AND VARIABLE COMPENSATION (ANNUAL AND MULTI-YEAR)	14
4.4. MAIN TERMS OF THE CONTRACTS OF THE EXECUTIVE DIRECTORS	15
5. ENGAGEMENT OF NEW DIRECTORS	16
6. DECISION-MAKING PROCESS FOR THE DETERMINATION, REVIEW AND APPLICATION OF THE COMPENSATION POLICY	17
7. MEASURES ENVISAGED TO AVOID OR MANAGE CONFLICTS OF INTEREST	17
8. RELATION BETWEEN THE COMPENSATION POLICY AND THE CONDITIONS APPLICABLE TO EMPLOYEES OF THE COMPANY	18
9. CONTRIBUTION MADE BY THE COMPENSATION POLICY TO THE COMPANY'S STRATEGY AND INTERESTS AND LONG-TERM SUSTAINABILITY	19
10. TEMPORARY EXCEPTIONS.....	20
11. TERM OF THE COMPENSATION POLICY.....	20
12. OTHER INFORMATION.....	21

1. INTRODUCTION

The Board of Directors of Fluidra, S.A. (the “**Company**” or “**Fluidra**”), following a proposal made by the Appointments and Compensation Committee (“**ACC**”), resolved during its meeting of March 30, 2022 to submit to the Fluidra Shareholders’ Meeting (the “**Shareholders’ Meeting**” or the “**Meeting**”), to be voted upon with binding effect, the compensation policy for members of the Company’s Board of Directors (the “**Board of Directors**” or “**Board**”) for fiscal years 2022 — as from its approval —, 2023 and 2024 (the “**Compensation Policy**” or the “**Policy**”), as a separate Agenda item, in accordance with Article 529 novodecies of the revised Capital Companies Law approved by Legislative Royal Decree 1/2010, of July 2, 2010 (the “**CCL**” or “**Capital Companies Law**”).

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 whose approval is being proposed continues along the same lines as that 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.

It has nevertheless been considered appropriate 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 size and its new position in the market following the growth seen since the merger, and in 2021 in particular; the acquisitions made, particularly in 2021; and its inclusion in the Ibex-35 index, in addition to including the amendments necessary to adapt the Policy to the changes, approved in 2021, to the revised CCL. In this respect, a new comparative analysis has been undertaken in order to bring the compensation received by the directors in respect of their functions as such, and the compensation of the executive directors, into line with that found in companies which are comparable in terms of their size, sector, and the domestic and international markets in which they operate. This analysis has been undertaken by the consulting firms Willis Towers Watson and Spencer Stuart in relation to the executive directors. Consideration has also been given to the information received from institutional investors and proxy advisors, as well as to the provisions of the Good Corporate Governance Code in relation to directors’ compensation. The changes made from a quantitative perspective are described below:

- (i) an increase in the maximum compensation per annum payable to the directors for their functions as such, which goes from 1,600,000 euros up to 2,000,000 euros, effective as from June 1, 2022. Also increased, effective as from June 1 2022, is the fixed compensation paid to each Board member, and the compensation payable for membership of the various Board Committees.
- (ii) Increase in the fixed compensation of the executive directors (that of the CEO goes from 531,000 in 2021 to 600,000 euros in 2022, and that of the Executive Chairman goes from 390,000 to 500,000 euros).

- (iii) the maximum percentage that the target annual variable compensation of the executive directors may represent in relation to their fixed compensation at the end of the year is increased from 100% to 150%; and
- (iv) long-term incentive, “2022-2026 Plan”, for the key executives and executive directors of Fluidra.

The aim of all the above is to ensure that directors’ compensation is commensurate with the Company’s current importance and with the value generated for the shareholders, and that it foments the retention of key talent and alignment with market practices at both domestic and international level.

2. GENERAL PRINCIPLES AND PRACTICES

2.1. GENERAL PRINCIPLE

The Directors’ Compensation Policy has been drawn up having regard to (i) applicable legislation, (ii) the provisions of the Bylaws and of the Board of Directors’ Regulations (the “**Board Regulations**”), (iii) Corporate Governance recommendations, (iv) the information received from institutional investors and proxy advisors; and (v) best practices in the market, as seen in companies which are comparable in terms of size, activity, and the complexity and geographic location of their business, in which respect support has been received from external advisors.

The general principles of the Compensation Policy are as follows:

Alignment with market practices

The compensation structure and overall figures must take into account legislative changes and recommendations and be consistent with trends and references with respect to compensation seen in the market, among national and international companies which are comparable in terms of size, activity, and the complexity and geographic location of their business.

The objective should be to attract and retain talent with the right profiles to ensure that Fluidra’s strategic objectives can be achieved, by offering competitive compensation.

Value creation

Compensation should be geared towards fomenting attitudes which ensure the generation of long-term value in the Fluidra Group, and the sustainability of results over time, while including the necessary safeguards to avoid excessive risk-taking and the rewarding of poor results.

Alignment with the interests of shareholders and with the Company's sustainability strategy and environmental commitment

Compensation should be aimed at aligning the interests of directors with those of the shareholders, promoting the creation of value which is sustainable in the long term.

It is for this reason that a reasonable proportion of the compensation corresponding to Executive Directors', both short- and long-term, should be variable. Variable compensation, linked to specific and pre-determined objectives, should be aligned with the attainment of financial and non-financial objectives which allow for the creation of value in the Fluidra Group. The non-financial objectives established shall include those linked to ESG (Environment, Social and Governance), since the progress made in ESG and the environmental commitment and objectives of the Fluidra Group should be a relevant criterion when it comes to determining compensation.

Fairness and proportionality of compensation

Compensation must be set having regard to the dedication, qualifications and level of responsibility required by the post, as well as the experience, functions and tasks performed by each director, without the independence of non-executive directors being compromised. A balance must be maintained between fairness at internal level and competitiveness in the market. The compensation policy must guarantee non-discrimination on the basis of, among others, gender, age, culture, religion and race.

Transparency

The rules on the management of compensation must be explicit, be made known to the directors, and be drafted in a clear and concise manner.

The Company must comply in any event with the reporting obligations regarding directors' compensation set out in the CCL, as well as in any other applicable legislation, and align itself with best practice in the area of corporate governance. To generate trust on the part of shareholders and investors, the Company must be transparent in the information it discloses with regard to Directors' compensation.

A breakdown of compensation items, allocation criteria and individual amounts shall be published in the Annual Report on Compensation.

2.2. PRACTICES

Implementing the principles set out under point 2.1 above, Fluidra shall adopt the following practices in relation to its Compensation Policy:

Non-Executives Directors

- Compensation shall be appropriate to their level of dedication, qualifications and responsibility, without compromising their independence, and shall be in line with market conditions to maintain competitiveness.
- There are no compensation components linked to the performance of Fluidra or to personal performance.
- They receive no compensation in the form of shares.
- They may not receive severance for dismissal or termination of their appointment to office.
- The Company has assumed no obligations or commitments whatsoever in relation to pensions, retirement plans or similar.

Executive Directors

- **Balanced composition.**

Balance between fixed components and variable components (annual and multi-year).

Variable compensation, linked to the achievement of financial and non-financial objectives, including ESG and value-creation objectives, must be based on a medium- and long-term view, encouraging long-term action in strategic terms in addition to the attainment of short-term results, in light of the current situation and the Company's outlook and objectives with regard to sustainable growth, without variable compensation jeopardizing the Company's capacity to maintain its solvency and financial situation.

- **Contribution to the business strategy and to the long-term interests and sustainability of the Company.**

The compensation corresponding to the Executive Directors must be consistent with the Company's strategy and contribute to the achievement of objectives and results by the Fluidra group, as is described in section 9 below

- **Compensation aligned with the compensation conditions applicable to employees of the Company.**

As is explained in section 8 below, compensation for the performance of executive functions must be consonant with the policy established by the Company regarding the compensation of executives, and be based on the same principles.

- **Supported by external advisers.**

3. POLICY ON THE COMPENSATION OF DIRECTORS IN THEIR CAPACITY AS SUCH

3.1. COMPENSATION COMPONENTS

- A fixed amount of compensation in cash established based on their position and responsibility. In this respect, the fixed compensation of the chairman of the Board and of the coordinator of the Board is higher than that of the other members in view of their greater responsibility for the efficient functioning of the Board.
- A fixed amount of cash compensation for their participation in the Committees of the Board (the "**Committees**"), which are currently the ACC, the Audit Committee and the Delegated Committee (it is expected to change the name to Strategy and ESG Delegated Committee). The compensation received by the chairs of such Committees is higher than the amount paid to the other Committee members in view of their greater responsibility for the efficient functioning thereof.
- Fees for attending the meetings of the Board or its Committees. The amount received by Directors who reside outside of Spain is higher than the amount received by the other members of the Board.

The maximum amount of annual compensation that the Company may pay to all of its Directors in respect of the supervisory and collegiate decision-making functions of their Directorship positions, for all items, shall be established for such purpose by the Shareholders' Meeting, and shall remain in force until the Shareholders' Meeting changes it, although the Board of Directors may stipulate a lower amount. The setting of the exact amount to be paid within this limit and the distribution thereof among the Directors are tasks corresponding to the Board of Directors, at the proposal of the ACC, in the proportions it freely determines, having regard to the criteria and principles described above.

3.2. BREAKDOWN OF COMPENSATION ENVISAGED FOR THE YEARS COVERED BY THE COMPENSATION POLICY

The maximum annual compensation corresponding to the Directors in respect of the supervisory and collegiate decision-making functions of their Directorship positions, submitted for approval by the Shareholders' Meeting along with this Policy, amounts to 2,000,000 euros.

The maximum amount of compensation shall remain unchanged on the same terms in following years until the Shareholders' Meeting approves a new amount. Likewise, the internal distribution amongst the Directors shall remain unchanged until the Board of Directors approves a different distribution.

The distribution of such amount between the Board members, as resolved upon by the Board of Directors for 2022, is indicated below, although this may be reviewed in subsequent years, as is later described:

90,000 euros per annum for each member of the Board of Directors

P For the responsibility and dedication required of members of the various Committees and that involved in the Chairmanship and coordination of the Board¹:

An additional 20,000 euros per annum for each member of the ACC, except for the Committee chairman, who will receive an additional 40,000 euros

An additional 20,000 euros per annum for each member of the Audit Committee, except for the Committee chairman, who will receive an additional 40,000 euros

An additional 12,000 euros per annum for each member of the Delegated Committee².

An additional 50,000 euros per annum for the Chairman of the Board of Directors

An additional 25,000 euros per annum for the director serving as coordinator of the Board of Directors

However, the Executive Directors who are members of the different committees shall not receive any additional amount for their membership thereof.

In the event of new Committees being formed, the compensation corresponding to the members thereof for their participation in such Committees shall be similar in terms and structure to that corresponding to the Directors for their participation in the current Committees, having regard, in particular, to the functions attributed, responsibilities assumed and level of dedication required.

Fees for attending the meetings of the Board or its Committees amount to 8,000 per annum. The amount received by those Directors who reside outside Europe, however, is 20,000 euros per annum.

Finally, the Directors will be reimbursed for expenses incurred in the provision of their services, provided that these are duly evidenced.

The Board of Directors, upon a proposal by the ACC, may amend the proposal for the distribution of compensation between the members of the managing body, as agreed in respect of 2022, to bring it into line with the level of dedication of its members and market practice.

The compensation of the directors in respect of the supervisory and collegiate decision-making functions corresponding

¹ Amounts applicable, proportionally, as from June 1, 2022; the amounts paid from January 1 through to May 31, 2022 are the same, in proportional terms, as in 2021 and are detailed in the 2021 Annual Report on Compensation.

² It is expected to change the name to Strategy and ESG Delegated Committee.

to their Directorship positions shall in any event be adapted to the system defined at any given time by the Bylaws and to the maximum amount of compensation approved by the Shareholders' Meeting. Consequently, this Compensation Policy, insofar as relates to the supervisory and collegiate decision-making functions corresponding to the Directors in their capacities as such, shall be deemed modified to the same extent as the Shareholders' Meeting approves a maximum figure other than that established in this section.

4. COMPENSATION POLICY WITH REGARD TO EXECUTIVE DIRECTORS

4.1. COMPENSATION COMPONENTS

- **Fixed compensation**

Compensation based on level of responsibility and professional background, geared towards alignment with market rates. Fixed compensation shall include both compensation in cash and in kind (use of vehicle, family health insurance, or similar benefits).

The Executive Directors shall be named as insureds under the civil liability insurance policy for directors and executives of Fluidra, covering them against any liabilities incurred as a result of the performance of their functions, all in accordance with the subjective scope defined in the corresponding policies signed by the Company.

- **Annual variable compensation**

During the first quarter of each year, in light of the budget and strategic priorities of the Fluidra Group, the Board of Directors, following a proposal by the ACC, shall determine the specific economic and management objectives applicable for the current year and the weight corresponding to each of such objectives, in accordance with the objectives of Fluidra, ensuring the alignment thereof with the creation of value in the Company and with the interests of its shareholders. Such objectives may be economic-financial or non-financial, including objectives linked to ESG or to the personal performance of the Executive Directors. Such objectives must be consistent, internally, with those established for the Group's management team.

Once the year has ended, and following the receipt of whatever supporting documentation it considers appropriate, the Board of Directors, at the proposal of the ACC, shall evaluate the level of achievement of the objectives determined at the start of the year and shall approve the amounts of variable compensation to be received by each Executive Director based on the level reached.

For the period for which the Compensation Policy remains in force, annual variable compensation, prior to weighting based on the achievement scale, may not exceed 150% of fixed compensation in respect of executive functions. The achievement scale for economic objectives ranges from 0%, in the event of failure to attain the minimum levels, up to a maximum of 185% of target annual variable compensation in the event of achieving or exceeding the maximum values established for each indicator.

Once the amount of annual variable compensation has been approved, it shall be paid to the Executive Directors in cash, with the corresponding withholdings, social security contributions or similar taxes applicable

having been applied. The payment shall be made once the Financial Statements of Fluidra have been issued, taking into consideration any possible qualifications in the external audit report.

The Company shall consider periodically the possibility of establishing a malus clause in respect of short-term variable compensation.

■ Long-term variable compensation

The Executive Directors may participate in long-term incentive plans based on Fluidra equity instruments, or linked to the value of such instruments, established by the Company for its executive personnel ("**LTI**").

The LTI will entitle its beneficiaries to receive, once a certain period of time has elapsed, an amount in shares or other instruments, or options over the same, or cash, subject to fulfillment of the conditions and strategic objectives established in the LTI.

These plans shall be of a recurring nature, their specific conditions being set by the Board of Directors upon a proposal by the ACC. They must be in alignment and compatible with the principles of the Compensation Policy and be approved by the Fluidra Shareholders' Meeting.

In accordance with Corporate Governance recommendations in this respect, the conditions established in the LTI shall include the following:

- The incentive must cover a minimum period of three years, and may take the form successive cycles initiated each year or single cycles.
- The metrics and the weight carried by each of them, in the case of overlapping cycles, shall be defined, for the first cycle, by the Shareholders' Meeting, and for the other cycles by the Board of Directors, following a proposal by the ACC, taking into consideration long-term value creation and sustainability. ESG metrics must be included. The objectives to be met in relation to each metric for the incentive to accrue for all the cycles shall be defined by the Board of Directors.
- The Board of Directors, upon a proposal by the ACC, shall define the minimum achievement threshold for the objectives corresponding to each metric, below which the part of the LTI linked to such metric shall not accrue, as well as the maximum threshold.
- Once the LTI has come to an end, the Board of Directors, upon a proposal by the ACC, shall establish the level of achievement of the objectives corresponding to the LTI metrics.
- The LTI to be settled shall take into account any qualifications in the external auditor's report that reduce the Company's earnings or metrics to which the incentive is linked.

The LTI must include the necessary safeguards to avoid excessive risk-taking and the rewarding of poor results. The LTI shall therefore include clauses which allow for:

- Deferral of settlement for the minimum period of time necessary in order to verify that the pre-established conditions to which it is linked have indeed been met.
- Non-settlement of the incentive if the beneficiary has been penalized for a serious breach of the code of ethical conduct pursuant to the Company's internal regulations.
- A reimbursement to be claimed when the payment made did not conform to the established

terms, or when the payment was made on the basis of data which are subsequently proven to be inaccurate.

- In the event of the LTI being settled in Fluidra shares, once they have been awarded and for three years as from the end of the LTI, the Executive Directors shall be banned from transferring the shares received until they come to hold a number of shares equivalent to at least twice their annual fixed compensation. The above, however, shall not apply to shares which the Executive Director needs to sell, should the case arise, in order to meet costs relating to their acquisition, including the taxation deriving from the transfer of the shares, or in the event of a dispensation having been approved by the Board of Directors, upon a favorable report by the ACC, in response to supervening circumstances of an extraordinary nature which merit such dispensation.

■ Pension and other welfare benefits

A commitment in respect of the contingencies of death and disability may be recognized in favor of the Executive Directors.

A defined-contribution pension commitment entailing the setting up of a retirement pension fund through annual contributions made by the Company may also be recognized in their favor.

The above commitments are to be implemented through insurance contracts.

■ Severance payments in the event of removal and compensation in respect of a post-contractual non-compete undertaking and/or non-solicitation undertaking

- Amounts of and limits to severance payments for termination of contract.

The amount of severance for termination of the contracts of the Executive Directors in respect of their directorship functions may not exceed twice the sum of their maximum annual fixed and variable compensation.

Ordinary payments corresponding to the advance notice period shall not be classed as severance pay for dismissal.

- Post-contractual non-compete and non-solicitation undertakings.

The Executive Directors' contracts may contain post-contractual non-compete and/or non-solicitation undertakings, for which the corresponding compensation may (i) be included in the amount of compensation envisaged in favor of the director, or (ii) consist of an additional amount, in which case it may not exceed the sum of the fixed components of the compensation that the Executive Director would have obtained had he/she remained with the Company for the duration of the non-compete undertaking.

4.2. BREAKDOWN OF COMPENSATION ENVISAGED FOR THE YEARS COVERED BY THE COMPENSATION POLICY

▪ Annual fixed remuneration

D. Eloy Planes, Executive Chairman:

500,000 euros

D. Bruce Brooks, Chief Executive Officer:

600,000 euros

These are the amounts envisaged for 2022 and they may be reviewed annually by the Board of Directors, upon a proposal by the ACC, for the years covered by the Compensation Policy. The variation over the entire period for which this Compensation Policy remains in force is not expected to exceed 20% of the amount stipulated for 2022. Any change to the amount of annual fixed compensation for the years 2023 and 2024 shall be included in the corresponding annual Report on directors' compensation.

The Executive Directors receive certain compensation in kind, including use of a vehicle, life insurance, and family health insurance. As is the case with the other Directors, they are also included as insureds under the civil liability policy for directors and executives of Fluidra.

In addition, Mr. Bruce Brooks, on account of his expatriation, is entitled to receive tax and legal advisory services over the term of his assignment, and is being compensated for the duly evidenced moving and travel costs of his transfer from the US to Spain and from Spain to the US, up to a maximum amount per annum of 65,000 euros.

▪ Annual variable compensation

The annual variable compensation corresponding to the Executive Directors, prior to weighting based on the achievement scale, shall be 100% of fixed compensation at the end of the year for executive functions for the Executive Chairman, and 150% for the Chief Executive Officer.

For example, the objectives to which annual variable compensation is linked for 2022 are as follows:

- i. 85% economic objectives: Free cash-flow (25%), PF Cash EPS (25%), EBITDA (25%) and total growth in sales (10%), and
- ii. 15% non-financial objectives. Of the non-financial objectives, 4% are linked to achievement of the company's ESG objectives.

Similarly, in 2022, the achievement scale ranges from 40%, in the event of achieving the minimum levels established for each indicator (0% if they are not reached), up to a maximum of 185% of target annual variable compensation in the event of achieving the maximum values established for each indicator.

The metrics for 2023 and 2024, the weight corresponding to each metric and the achievement scale shall be published in the corresponding Annual Report on Directors' Compensation.

▪ Long-term variable compensation

The Executive Directors participate in the following long-term incentive plans:

▪ “2018 – 2022 Plan” long-term incentive

The main conditions of this Plan are set out in the Annual Reports on Directors’ Compensation corresponding to fiscal years 2018 to 2022, which are published on the Fluidra corporate website.

Following the end of the measurement period for the metrics to which the 2018-2022 Plan is linked, on December 31, 2021, the Board of Directors, upon a proposal by the ACC, has resolved to pay 170% of the incentive linked to the level of achievement of the objectives for the TSR and EBITDA metrics, since the maximum value thresholds established for both these metrics have been exceeded. The number of shares to be delivered to the Executive Directors in January 2023, provided that they remain in Fluidra through to December 31, 2022, are 306,000 in the case of Mr. Eloy Planes Corts and 495,338 shares in the case of Mr. Bruce Brooks.

▪ “2022 – 2026 Plan” long-term incentive

Following the end of the measurement period for the metrics to which the 2018-2022 Plan was linked, the general conditions of the 2022-2026 Plan, which are attached as Schedule I hereto, have been submitted for the approval of the Shareholders’ Meeting together with this Policy.

▪ Welfare benefits

A commitment in respect of the contingencies of death and disability is recognized in favor of the Executive Directors, equal to 4 times their gross annual fixed compensation at the time of death.

In case of total or absolute permanent or severe disability occurring prior to the termination of their contracts, the Executive Directors shall receive, until they reach 65 years of age, a monthly payment equal to one-twelfth of 75% of their last gross annual fixed compensation at the time the disability occurred.

A defined-contribution pension commitment entailing the setting up of a retirement pension fund has also been recognized in favor of the Executive Directors. The contributions made by the Company in 2022 amount to 16,000 euros in the case of Mr. Eloy Planes Corts and are estimated at 11,000 euros in the case of Mr. Bruce Brooks.

These commitments are implemented through insurance contracts.

▪ Changes during the term of the Compensation Policy

Any change in the proportions or structure of the components of the compensation of the Executive Directors shall be made in accordance with the principles established in this Compensation Policy.

4.3. RELATIVE PROPORTIONS OF COMPENSATION COMPONENTS

The compensation system applicable to the Executive Directors reflects a balanced and efficient relationship between fixed components and variable annual and multi-year components, in such a way that the fixed component accounts for a sufficiently large part of total compensation, the aim being to establish a balance between the prudent management of risks and the achievement of short- and long-term objectives, to foment sustainable value creation in the Fluidra Group.

The approach adopted in the determination of variable compensation is flexible, in order to respond appropriately to results achieved. Such compensation may be zero in cases in which the minimum threshold for achievement of the objectives to which its accrual is linked has not been met.

Item	Scenario	Executive Chairman	Chief Executive Officer
Fixed Compensation ("FC") ¹	All	100%	100%
Annual Variable Compensation (vs FC)	Minimum	0%	0%
	Target	100%	150%
	Maximum	185%	277,50%
Long-term incentive ² (vs FC)	Minimum	0%	0%
	Target	150%	150%
	Maximum	258%	258%

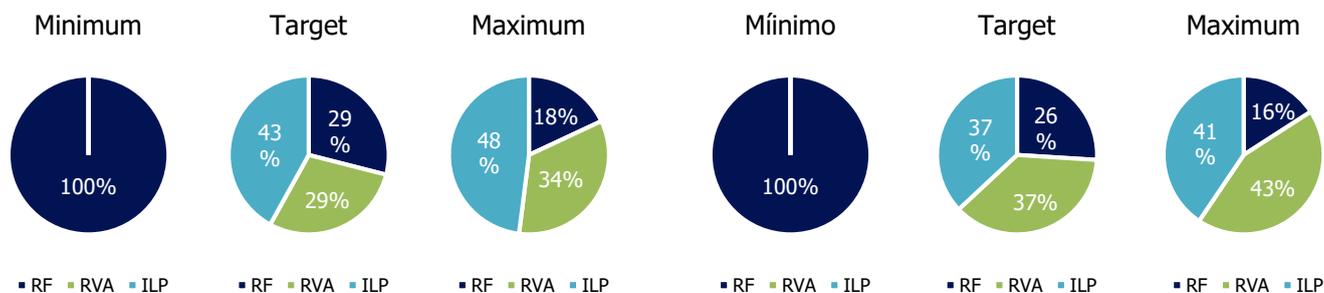
¹ Neither compensation in kind nor contributions to retirement plans are included since their amount is not material.

² The figures shown reflect the average annualized percentage of the 2022-2026 LTI in relation to FC as at the award date

Compensation mix of fixed and variable compensation (annual and multi-year)³

Executive Chairman

Chief Executive Officer



³ Neither compensation in kind nor contributions to retirement plans are included since their amount is not material.

4.4. MAIN TERMS OF THE CONTRACTS OF THE EXECUTIVE DIRECTORS

The contracts of the Executive Directors of the Company are commercial contracts, and contain a clear description of the functions and responsibilities to be assumed according to the provisions of commercial legislation, the Bylaws, regulations applicable to the bodies of the Company and those attributed by the Shareholders' Meeting of Fluidra.

The essential terms and conditions of the contracts of the Executive Directors are as follows:

- **Duration**

The Executive Directors have signed an indefinite-term contract for services with the Company which shall remain in force for as long as the directors perform the executive duties delegated to them by the Board of Directors according to their post.

- **Exclusivity and confidentiality**

The contracts establish clauses regulating confidentiality and exclusive dedication, without prejudice to the activities which are expressly authorized, provided they do not hinder the fulfillment of the duties of diligence and loyalty inherent in their post or entail a conflict with the Company.

- **Post-contractual non-compete and non-solicitation undertaking**

Notwithstanding the Executive Directors' undertaking not to compete with the Company while their contracts are in force, a post-contractual non-compete and non-solicitation agreement is established in the Contracts, in the following terms:

- The contract of Mr. Eloy Planes Corts establishes a post-contractual non-compete undertaking with a term of two years as from the date on which the effective provision of his services ends. The economic compensation established is twice his gross annual fixed compensation in force at the time of termination of the contract.
- The contract of Mr. Bruce Brooks establishes a post-contractual non-compete and non-solicitation undertaking with a term of two years as from the date on which his services effectively come to an end. The economic compensation corresponding to the non-solicitation undertaking is included in the amount of compensation envisaged in his favor.

- **Severance pay for termination of contract**

The severance to which the Executive Directors will be entitled in the event of termination of their contract at the instance of Fluidra for any reason, except in cases of serious and willful or negligent non-fulfillment of their duties as Executive Directors of the Company, will be:

- In the case of Mr. Eloy Planes Corts, an amount equivalent to two times his annual compensation, based on his gross annual fixed salary for the year in which his contract is terminated and the gross annual variable salary for the preceding year. This severance payment includes the legal indemnity he is entitled to receive for the extinguishment of his previous employment relationship, which lasted 16 years and 7 months and was suspended when he was appointed as a director.

- In the case of Mr. Bruce Books, an amount equal to one year's compensation, based on his gross annual fixed salary for the year in which his contract is terminated and the target gross annual variable salary.

The Executive Directors shall be entitled to receive this severance pay if they decide to terminate their contracts by their own choice, if such termination is due to any of the following causes:

- Serious breach by the Company of any of the contractual obligations related to their position.
- Reduction and substantial limitation of their duties or powers.
- Substantial modification of their contractual conditions.
- Change of ownership of Fluidra's share capital with or without changing the Company's governing bodies.

▪ Advanced notice period

The parties are required to give at least six months' notice before the effective date of termination of the contractual relationship, except when this occurs by mutual agreement, due to serious and willful or negligent non-fulfillment of the Executive Director's professional duties, or a serious breach by the Company of the obligations undertaken in relation to the position of Executive Director. In the event of non-fulfillment of the obligation to give notice, the breaching party shall be under the obligation to pay to the other party an amount equal to the fixed compensation pending payment for the notice period breached.

The Board of Directors will periodically review the conditions of the contracts signed with the Executive Directors in order to include in them any amendments necessary to adapt them to the Compensation Policy in force at any given time and to the internal regulations of the Company that apply.

5. ENGAGEMENT OF NEW DIRECTORS

▪ Executives directors

The compensation system and basic contractual conditions described above will also apply to any new Executive Director who joins the Board of Directors during the term of this Compensation Policy.

The Board of Directors, upon a proposal by the ACC, shall determine the compensation components and amounts corresponding to the new Executive Directors, having regard to the functions assigned to them, responsibilities assumed, their professional experience, market remuneration levels for such positions and any other factor they feel should be taken into account, with this being reflected in the contract to be signed between the new Executive Director and Fluidra.

▪ Non-executives directors

The compensation system as described in section 3 above shall be applicable to them.

6. DECISION-MAKING PROCESS FOR THE DETERMINATION, REVIEW AND APPLICATION OF THE COMPENSATION POLICY

The ACC shall be competent to report on the following matters and make proposals to the Board of Directors for the approval thereof, and to oversee compliance:

- the Compensation Policy;
- individual compensation and other contractual conditions applicable to the Executive Directors,
- setting of the individual amount corresponding to each director in his/her capacity as such, within the maximum amount approved by the Shareholders' Meeting.

In relation to the Compensation Policy, the ACC draws up the Compensation Policy proposal along with the mandatory specific report on it, for consideration by the Board of the Directors, and the Board, having reached a reasoned decision, proposes it for approval by the Shareholders' Meeting.

The following are taken into consideration in the process of determining, reviewing and applying the Compensation Policy:

- The opinions issued by organizations representing institutional shareholders;
- Corporate governance recommendations;
- The compensation conditions of the management team, as described in section 8 below;
- Market conditions, with periodic reviews being made comparing directors' compensation with a reference market, having regard to certain objective criteria including, among others, size and complexity of the business and geographical scope of the Fluidra Group and the sector in which it operates.
- Independent external advice where necessary.

7. MEASURES ENVISAGED TO AVOID OR MANAGE CONFLICTS OF INTEREST

The concept of conflict of interest is defined in article 27 of the Board Regulations.

Pursuant to the Board Regulations, the directors are under the following obligations

- Not to directly or indirectly perform professional or commercial transactions with the Company unless authorized by the Company in the terms envisaged in the law, the Bylaws and the Board Regulations.
- To communicate the existence of conflicts of interest to the Board of Directors.

- To refrain from participating in debates and votes on resolutions with respect to which they, or persons related to them, have a direct or indirect conflict of interest, unless they are authorized to do so by the applicable legislation. This shall not apply to resolutions or decisions affecting the director in his/her capacity as such, such as designation or removal from his/her office on the managing body or similar.
- To adopt the necessary measures to avoid situations in which their interests, for their own account or for the account of others, may be in conflict with the corporate interest and with their duties to the Company.

8. RELATION BETWEEN THE COMPENSATION POLICY AND THE CONDITIONS APPLICABLE TO EMPLOYEES OF THE COMPANY

The conditions with respect to compensation for the performance of executive functions have been established having regard to the compensation policy established by the Company for its employees. In this respect, the Compensation Policy shares the following principles which apply in relation to the compensation of Fluidra executives:

Compensation structure

The compensation package includes a fixed component, a variable component (short- and long-term) and compensation in kind. Fixed compensation is of an amount sufficient not to assume excessive risks bearing in mind that variable compensation can be zero if the minimum achievement thresholds for the objectives to which it is linked are not met. The proportion of variable compensation corresponding to the Executive Directors is higher than that of other directors, the aim being to align their interests with those of the shareholders.

Fair pay

Compensation is based on criteria relating to position, level of responsibility, functions assumed, skills and level of performance, the absence of any form of discrimination being guaranteed.

Pay for performance

A significant portion of compensation is variable and is linked to the achievement of financial objectives, non-financial objectives and value creation objectives. These objectives, which are specific and measurable, are aligned with the Company's long-term strategic plan and sustainability.

Alignment with market conditions

Compensation must be set at levels which reflect market conditions in order to attract, motivate and retain talent.

9. CONTRIBUTION MADE BY THE COMPENSATION POLICY TO THE COMPANY'S STRATEGY AND INTERESTS AND LONG-TERM SUSTAINABILITY

The Compensation Policy is viewed as another element, within the Company's internal policies and principles, which contributes to its business strategy and interests and long-term sustainability:

- The compensation policy is attractive so that the Company can attract and retain the talent needed to guarantee the stability it requires to achieve long-term objectives, providing the motivation required for the achievement of objectives while avoiding excessive risk-taking and the rewarding of poor results.
- Variable compensation is linked to the achievement of financial, value-creation and non-financial objectives, the latter including ESG objectives, which are aligned with the corporate interests and the Company's strategic plan and long-term sustainability.
- The objectives of the metrics must be demanding and must be reviewed periodically, taking into consideration the economic context, the strategic plan, and the expectations of stakeholder groups.
- There is no guaranteed variable compensation, with the possibility of no compensation being received if the minimum achievement thresholds are not reached.
- The medium- and long-term incentives are linked to strategic plans of at least three years, promoting sustainable value creation in the Group.
- Multi-year variable compensation is settled in the form of shares, making it possible to align the interests of the Executive Directors with those of shareholders.
- The Compensation Policy avoids excessive risk-taking:
 - The Board of Directors, upon a proposal by the ACC, analyses, selects and approves the objectives in relation to the variable compensation of the Executive Directors and executives. In this respect, the objectives, which are established having regard to the Company's strategic plan, value creation and the interests of stakeholder groups, are (i) specific and quantifiable, and (ii) sufficiently demanding.
 - Inclusion in multi-year variable compensation of a malus clause and clawback clause applicable if certain circumstances arise.
 - Commitment to hold a certain number of shares received in the settlement of share-based compensation, which also allows for the alignment of the interests of the Executive Directors with those of the shareholders.

In relation to variable remuneration:

- Several metrics are required to be taken into account, including ESG metrics, linked to the sustainability strategy of the Fluidra Group.
- The objectives of the metrics must be demanding and must be reviewed periodically, taking into consideration the economic context, the strategic plan, and the expectations of stakeholder groups.

- There is no guaranteed variable compensation, with the possibility of no compensation being received if the minimum achievement thresholds are not reached.
- Long-term incentives are required to be awarded based on value creation, aligning the interests of the directors with those of the shareholders, and for this reason, they need to have the following characteristics:
 - Minimum 3-year period for the measurement of objectives.
 - Settlement in shares.
 - Obligation to hold the shares received until they reach a value equivalent to twice the amount of fixed compensation, for a period of 3 years.
 - Inclusion of a malus (reduction) and clawback (recovery) clause.

10. TEMPORARY EXCEPTIONS

The Board of Directors, upon a proposal by the ACC, may approve the application of temporary exceptions to the Compensation Policy in exceptional circumstances which make this necessary to serve the long-term interests and sustainability of the Company as a whole or to guarantee its viability.

The procedure to be followed in such cases shall be as follows:

- The ACC shall issue a report (i) evaluating the exceptional circumstances forming the grounds for applying these exceptions, (ii) detailing the reasons why it considers these exceptions to have been necessary to serve the long-term interests and sustainability of the company, and (iii) indicating the specific compensation items which would be modified.
- The ACC may seek the advice of external advisers in the preparation of such report.
- In light of the conclusions reached in the report, the ACC, where appropriate, would propose to the Board of Directors the application of the exception.
- Details of, and the justification for, such temporary exceptions shall be disclosed in the corresponding Annual Report on Directors' Compensation.

11. TERM OF THE COMPENSATION POLICY

The Compensation Policy shall be in force in 2022, as from its approval by the Shareholders' Meeting, 2023 and 2024, except for any amendments, adaptations, updates or substitutions that may be decided from time to time, which shall be subject to approval by the Shareholders' Meeting.

12. OTHER INFORMATION

During the first half of 2017, following the acquisition of the Zodiac Group, subsidiaries of Rhône Capital LLC ("**Rhône**"), implemented a Management Equity Plan ("**MEP**") aimed at executives of the Zodiac Group, including Mr. Bruce Brooks, based on the ownership of shares in the company Piscine Luxembourg Holdings 1 S.a.r.l. ("**LuxCo**"), (the "**Original Plan**").

The Merger agreements between Fluidra and Zodiac HoldCo envisaged the replacement of the Original Plan with another in the terms signed between Luxco (and its subsidiary, a Luxembourg partnership, "**Lux SCS**") and the beneficiary executives, the efficacy of which was conditional upon registration of the Merger (the "**Replacement Plan**"). The changes made to the Original Plan to arrive at the Replacement Plan were made with a view to ensuring that it was basically in line with, and did not come into conflict with, the objectives and periods established in the Fluidra 2018-2022 Plan.

Regarding the description of the Replacement Plan, please see the breakdown included in section 8 ("**Other information**") of the Compensation Policy approved in 2018 by the General Meeting. As was indicated in that section, the Replacement Plan does not form part of the Fluidra Compensation Policy, it implies no payment obligation for the Fluidra Group, and its impact on the total individual and consolidated equity of the Fluidra Group is not material.

ANNEX I

GENERAL CONDITIONS OF THE 2022-2026 PLAN

Objective of the 2022-2026 Plan

The 2022-2026 Plan aims to encourage, motivate and retain the management team, linking the incentive to the fulfillment of Fluidra's medium- and long-term strategic plan, which will make it possible to align the interests of the Beneficiaries (as defined below) with those of the shareholders by offering them competitive compensation that is in line with market compensation practices and the organizational and strategic situation of the Fluidra Group.

The 2022-2026 Plan consists of the Beneficiaries being entitled to receive a certain number of ordinary shares of the Company (the "**Shares**") subject to the fulfillment of certain requirements.

Instrument

The 2022-2026 Plan is implemented through the award of a certain number of units ("**PSUs**") which will then be used as a reference in order to determine the final number of Shares to be delivered to the Beneficiaries after a certain period of time, as long as certain strategic objectives of the Fluidra Group are fulfilled and the requirements provided for in the Regulations are met.

Term

The 2022-2026 Plan has a term of five (5) years, running from January 1, 2022, with effect from the date of approval of the Plan by the Fluidra Shareholders' Meeting to which this resolution is submitted for approval, (the "**Start Date**") until December 31, 2026 (the "**End Date**"), without prejudice to the effective settlement of the last cycle of the Plan, which will take place in June 2027.

The Plan is divided into three (3) independent cycles (the "**Cycles**") and will have three award dates (the "**Award Dates**") for the target incentive to be received in the event of achieving 100% of the objectives to which it is linked ("**Target Incentive**"), each of which will take place in 2022, 2023 and 2024, respectively.

Each one of the Cycles will have an objective measurement period of three (3) years (the "**Measurement Period**"), starting on January 1 of the year in which the Cycle begins (the "**Measurement Period Start Date**") and ending three (3) years after the Measurement Period Start Date, that is, on December 31 of the year the Measurement Period for the Cycle ends (the "**Measurement Period End Date**").

Once the Measurement Period for each Cycle has ended, the associated incentive to which each of the Beneficiaries will be entitled will be determined according to the degree of achievement of the objectives established for the Cycle in question ("**Degree of Achievement**").

The incentive corresponding to each Cycle of the Plan will be settled in the month of June of the year after the Measurement Period End Date, following approval of the financial statements for the year in which the Measurement Period of the Cycle in question ends (the "**Settlement Date**").

Beneficiaries

The beneficiaries of the 2022-2026 Plan (the "**Beneficiaries**") will be the members of the management team of Fluidra and of its subsidiaries making up the Fluidra Group, as determined by the Board of Directors of Fluidra, at the proposal of the Appointments and Compensation Committee, who are expressly invited to participate in the Plan via a letter of invitation (the "**Letter of Invitation**") and who expressly accept such invitation.

For these purposes, the Fluidra Shareholders' Meeting designates as Beneficiaries of the 2022-2026 Plan those directors of Fluidra who, during the term of the Plan, are attributed executive functions in the Fluidra Group ("**Executive Directors**"). At the date of approval of the Plan by the Fluidra Shareholders' Meeting, the Executive Directors are Mr. Eloy Planes, Executive Chairman, and Mr. Bruce Brooks, CEO.

Maximum number of Shares included in the Plan

The total number of Shares which, in implementation of the Plan, will be delivered to the Beneficiaries at the end of each Cycle, in the event of achieving 100% of the objectives, will be that resulting from dividing the maximum amount allocated to each Cycle by the weighted average closing price of the Shares for the trading sessions taking place on the thirty (30) days prior to the Measurement Period Start Date of the Cycle in question (the "**Reference Value**"). The maximum total amount allocated to the three Cycles of the Plan if 100% of the related objectives are met is established in the amount of fifty-five million euros.

The maximum total amount allocated to each Cycle of the Plan, if 100% of the objectives are met, will be determined by the Board of Directors, following a report by the Appointments and Compensation Committee, and may not exceed, for all three Cycles of the Plan as a whole, the aforementioned amount of fifty-five million euros.

In any event, if 100% of the objectives are met, the total number of Shares to be delivered in implementation of the Plan to all of the Beneficiaries in the three Cycles may not exceed 0.8% of the share capital of Fluidra on the date of approval of the Plan, and will be 1.3% in the event of reaching the maximum Degree of Achievement of the objectives.

If the maximum number of Shares allocated to the Plan authorized by the Shareholders' Meeting is insufficient to be able to settle the incentive in Shares corresponding to the Beneficiaries under each Cycle of the Plan, Fluidra shall pay in cash the amount of the incentive corresponding to the excess which cannot be settled in Shares.

If 100% of the objectives of the Plan are met, the Executive Directors of Fluidra will be entitled to receive, at the end of each of the three Cycles, a number of Shares equal in value to 250% of their Fixed Annual Compensation in force on the award date of the incentive corresponding to the Cycle in question, divided by the Reference Value.

In any event, the number of Shares to be delivered will depend on the number of PSUs assigned and on the degree of achievement of the objectives to which the incentive is linked.

For the first Cycle of the Plan, if 100% of the Cycle objectives are met, and taking into consideration the average weighted closing price of the Share for the trading sessions taking place on the thirty (30) days prior to January 1, 2022 and the Annual Fixed Compensation of the Executive Directors in force on the date of approval of the Plan, 37,651 Shares would be delivered to the Executive Chairman Mr. Eloy Planes and 45,181 Shares would be delivered to the CEO Mr. Bruce Brooks. In the event of reaching the maximum Degree of Achievement of the objectives to which the first Cycle is linked, the number

of Shares to be delivered will be 172% of the Shares to be delivered in the event of achieving 100% of the objectives. Accordingly, the maximum number of Shares to be delivered would be 64,670 Shares in the case of Mr. Eloy Planes and 77,711 Shares in the case of Mr. Bruce Brooks.

For each of the remaining Cycles, the Board of Directors, following a report by the Appointments and Compensation Committee, will determine the maximum amounts that will serve as a basis in order to establish, according to the Reference Value of the Cycle in question, the number of Shares that may be delivered if 100% of the objectives are met and in the event of reaching the maximum Degree of Achievement of the objectives to which the corresponding Cycle is linked. The number of PSUs assigned in each Cycle shall be duly reported in the corresponding Annual Report on Directors' Compensation.

Requirements for settlement of the incentive

The requirements to be met, on a cumulative basis, in order for the Beneficiary to vest the right to receive the incentive corresponding to each Cycle of the 2022-2026 Plan are as follows:

- As regards the total PSUs awarded in relation to each Cycle, the Beneficiary must remain at the Fluidra Group until the Measurement Period End Date of the Cycle, without prejudice to the provisions envisaged for special leaving situation established in the Regulations, which shall also set out the formula to be used for calculation of the PSU vested as at the leaving date. In any case, in the event of resignation without cause, justified dismissal on disciplinary grounds or removal with cause during the Measurement Period of a Cycle, the Beneficiary will forfeit the right to receive the incentive corresponding to that Cycle.
- The Beneficiary must meet the objectives to which each Cycle of the 2022-2026 Plan is linked, on the terms and conditions described in this agreement and implemented in the Regulations.

In the case of Executive Directors, 100% of the PSUs awarded in each Cycle must be linked to fulfillment of the objectives to which the corresponding Cycle is linked.

Objectives

The Degree of Achievement of the incentive corresponding to one Cycle of the Plan, and therefore the number of Shares to be delivered to the Beneficiaries in relation to such Cycle, will depend on the degree of achievement of the objectives that the Board of Directors, at the proposal of the Appointments and Compensation Committee, establishes for each Cycle of the 2022-2026 Plan, insofar as relates to the percentage of PSUs awarded which is linked to such achievement.

The objectives will be:

- Objectives in terms of the creation of value for shareholders;
- Economic-financial objectives, and
- Objectives linked to **ESG** (Environment, Social and Governance).

First Cycle

In the first Cycle of the Plan, the Incentive will be linked to achievement of the following strategic objectives of the Company:

- (i) Objectives in terms of the creation of value for shareholders; Evolution of the "Total Shareholder Return" of Fluidra, S.A. ("**TSR**"), in absolute terms;

- (ii) Economic-financial objectives: Evolution of the EBITDA of the Fluidra Group.
- (iii) ESG objectives: S&P rating;

hereinafter the “**Metrics**”.

Both the TSR and EBITDA, and the ESG objectives, will be determined during the First Cycle Measurement Period ending on December 31, 2024.

The initial value considered for the purpose of measuring the evolution of the TSR will be the weighted average listed price of the Fluidra share at the close of trading for the trading sessions taking place on the thirty (30) days preceding the First Cycle Measurement Period Start Date, the final value considered being the weighted average listed price of the Fluidra share at the close of the trading sessions taking place on the thirty (30) days preceding the First Cycle Measurement Period End Date.

The weighting percentages for the Incentive awarded to the Executive Directors will be 50% for the TSR objective, 40% for the EBITDA objective, and 10% for the ESG objective.

In the case of Beneficiaries who are not directors, the Board of Directors will determine, upon a proposal by the Appointments and Compensation Committee, the part of the Shares whose delivery will depend on achievement of the TSR, EBITDA and ESG objectives.

For the TSR and EBITDA objectives, a Degree of Achievement associated with each objective will be established and this may range between 0% and 180%. The Degree of Achievement deriving from each of the above objectives will be calculated by linear interpolation. In the case of the ESG objective, the Degree of Achievement will be 0% or 100%. The maximum Degree of Achievement for the Executive Directors will therefore be 172%.

Second and Third Cycles

For the Second and Third Cycles of the Plan, the Fluidra Board of Directors, upon a proposal by the Appointments and Compensation Committee, may decide to continue with or change the Metrics, their relative weights, and the Degree of Achievement established for the First Cycle of the Plan. In the event of the Board of Directors making any change in this respect, the pertinent information will be duly set out in the corresponding Annual Report on Directors’ Compensation.

Delivery of the Shares and rules on disposability

The Shares will be delivered either by Fluidra, or by a third party, depending on the coverage systems finally adopted by the Board of Directors.

Once the Shares have been awarded, and until a period of three years has elapsed as from the End Date, the Executive Directors and members of the executive committee will not be able to transfer ownership of the Shares they may have received under the Plan until they come to own a number of shares equivalent, at least, to their annual fixed compensation multiplied by two, in the case of the Executive Directors, and by one, for the members of the executive committee. The above, however, does not apply in respect of shares that the Executive Director or member of the executive committee needs to dispose of, should the case arise, to meet costs related to their acquisition, including taxation deriving from the delivery of the Shares, or in the event of a dispensation having been approved by the Board of Directors, upon a favorable report by the Appointments and Compensation Committee, in response to supervening circumstances of an extraordinary nature which merit such dispensation.

Malus and clawback clauses

The Plan will envisage the corresponding malus and clawback clauses, which will be included in the Regulations. The Board of Directors will determine, where applicable, whether the circumstances that trigger the application of these clauses have occurred and the part of the Incentive which, where appropriate, is to be reduced or recovered.

In relation to the clawback clause, Fluidra, S.A. may demand the return of the Shares delivered under each Cycle of the 2022-2026 Plan, or the cash equivalent thereof, or even offset the delivery made against other compensation of any type to which the Beneficiary may be entitled if, during the two years following the Settlement Date of each Cycle, it becomes evident that the settlement in question was based wholly or in part on information which has subsequently been clearly shown to be false or to contain serious inaccuracies.

The above will apply to the Executive Directors in all cases and to Beneficiaries who are responsible for such information. Similarly, the Incentive settled in favor of members of the executive committee and the internal auditor, to whom the clawback clause is not applicable, will in any event be recalculated based on the correct information.

Cases of early termination or modification of the 2022-2026 Plan

The Regulations may envisage early termination and settlement or modification of the 2022-2026 Plan in the event of an acquisition or change of control, or if the Shares of Fluidra cease to be listed on an organized market, or in circumstances which, in the view of the Board of Directors, have a material impact on the 2022-2026 Plan.

Coverage system

The system of coverage to be used for the 2022-2026 Plan will be established in due time and form by the Board of Directors of the Company, for which purpose said body is hereby expressly empowered. The Company may allocate treasury shares currently held or which it may come to hold to cover the needs of the Plan, or it may use the financial instrument most suitable in each case.