

**Report prepared by the board of directors of Fluidra, S.A. on the amendment of
the Shareholders' Meeting Regulations**

1. Introduction

The Board of Directors of Fluidra, S.A. (the “**Company**”) resolved, at its meeting held on December 18, 2017, to call an Extraordinary Shareholders’ Meeting to be held on February 20, 2018, on first and single call, and submit to such Shareholders’ Meeting, under item 4 on the agenda, the approval of the amendment of article 25 (*Adoption of resolutions and conclusion of the Shareholders’ Meeting*) of the Shareholders’ Meeting Regulations (the “**Shareholders’ Meeting Regulations**”).

In accordance with the provisions of article 286 of the revised Spanish Corporations Law, approved by Legislative Royal Decree 1/2010, of July 2, 2010 (the “**LSC**”) and related provisions of the Commercial Registry Regulations, approved by Royal Decree 1784/1996, of July 19, 1996 (the “**RRM**”), as well as of article 28 of the Shareholders’ Meeting Regulations, the proposed resolution to be submitted to the Shareholders’ Meeting requires an explanatory report (the “**Report**”) to be prepared, approved and adopted by the Board of Directors as well as the full wording of the proposed amendment.

In this connection and in order to facilitate the comparison between the proposed new wording of article 25 of the Shareholders’ Meeting Regulations to be amended and its current wording, a literal transcription of both texts, in dual column format, with the current text in the left-hand column and the proposed changes highlighted in the right-hand column, is included for information purposes as **Exhibit 1** to this Report.

2. Justification for the proposal

2.1 Meaning and general scope of the proposed amendment of the Shareholders’ Meeting Regulations

The reform of the Shareholders’ Meeting Regulations is a result of the amendment of the Bylaws of the Company and, in particular of article 33, that is proposed to be submitted to the Extraordinary Shareholders’ Meeting of the Company indicated on the previous section under item 2 on the agenda in relation to the merger by absorption of Piscine Luxembourg Holdings 2 S.à r.l. (absorbed entity) by the Company (absorbing entity).

For the aforementioned purposes, the Board of Directors has prepared the relevant specific explanatory report regarding the amendments of the Bylaws proposed to the Shareholders’ Meeting.

2.2 Justification for the proposed amendment of the Shareholders’ Meeting Regulations

The proposed amendment of article 25 of the Shareholders’ Meeting Regulations aims to adapt the wording of such article to the new rules on majorities established in the amendment proposed for article 33 of the Bylaws of the Company.

The amendment consists of establishing a favorable vote of sixty-nine percent (69%) of the Company’s capital required on first call and sixty-six percent (66%) of the Company’s capital required on second call to adopt resolutions on the matters referred below:

- (i) capital increases, or the issuance of bonds or securities convertible into shares, with or without preferred subscription rights, and the delegation to the Board of Directors of the power to resolve on any of the preceding matters;
- (ii) capital reductions unless mandatory by applicable law;
- (iii) the approval of any structural modification, such as transformation of corporate form, mergers, spin-off, transfer en bloc of assets and liabilities or relocation of registered office of the Company to another country;
- (iv) the approval of transactions for the acquisition or disposal of “essential assets” pursuant to articles 160.f) and 511 bis 2 of the Companies Act;
- (v) the voluntary winding-up of the Company;
- (vi) the amendment of the number of members of the Board of Directors;
- (vii) de-listing of the Company’s shares from any securities markets; and
- (viii) the amendment of the Company’s bylaws with respect to any of the above matters.

3. Full wording of the proposed amendment of the Shareholders’ Meeting Regulations

The proposed amendment of the Shareholders’ Meeting Regulations, if approved by the Shareholders’ Meeting, will entail the amendment of article 25 of the Shareholders’ Meeting Regulations of the Company, which will hereafter be worded as follows:

“Article 25. Adoption of resolutions and conclusion of the Shareholders’ Meeting

The resolutions shall be adopted by a simple majority of the votes cast by the shareholders present in person or by proxy at the Shareholders’ Meeting, and it shall be construed that a resolution has been adopted when it obtains more votes in favor than against the share capital present in person or by proxy, except where the Law or the Bylaws require a greater majority.

In particular, for the adoption of the resolutions referred to in article 194 of the Spanish Corporations Law and not referred to Shareholders Meetings Reserved Matters (as defined below), if the capital present or represented exceeds fifty percent, it shall suffice for the resolution to be adopted by an absolute majority,

except when, on second call, shareholders are present who represent twenty-five percent or more of the subscribed voting capital without reaching fifty percent, in which case the favorable vote of two-thirds of the share capital present in person or by proxy at the Meeting shall be necessary.

*Additionally, to adopt resolutions on the matters referred below (the “**Shareholders Meetings Reserved Matters**”), the favourable vote of sixty-nine per cent (69%) of the share capital of the Company shall be necessary on first call and the favourable vote of sixty-six per cent (66%) of the share capital of the Company on second call:*

- (i) capital increases, or the issuance of bonds or securities convertible into shares, with or without preferred subscription rights, and the delegation to the Board of Directors of the power to resolve on any of the preceding matters;*
- (ii) capital reductions unless mandatory by applicable law;*
- (iii) the approval of any structural modification, such as transformation of corporate form, mergers, spin-off, transfer en bloc of assets and liabilities or relocation of registered office of the Company to another country;*
- (iv) the approval of transactions for the acquisition or disposal of “essential assets” pursuant to articles 160.f) and 511 bis 2 of the Companies Act;*
- (v) the voluntary winding-up of the Company;*
- (vi) the amendment of the number of members of the Board of Directors;*
- (vii) de-listing of the Company’s shares from any securities markets;*
- (viii) the amendment of the Company’s bylaws with respect to any of the above matters.”*

In resolutions relating to matters not included on the agenda, shares that are not considered present in person or by proxy shall be excluded from the basis for calculating the above-mentioned majority.

So that entities which appear as shareholders of record pursuant to the book-entry shareholder register but which act on behalf of various persons may cast their votes in accordance with the instructions from such persons, the Company shall allow the vote to be split and to be cast in different directions according to the different voting instructions, if any.

The intermediary entities referred to in the preceding paragraph may delegate the vote to each one of the indirect holders or to third parties designated by them, without any limitation on the delegations granted.

The Chairman shall declare the resolutions as approved where he has a record of the existence of sufficient votes in favor, without prejudice to recording in the

Minutes the direction of the vote or the abstention of the attending shareholders who indicate such circumstance to the notary (or, as the case may be, to the Secretary or personnel who assist him).

For each resolution submitted to a vote by the Shareholders' Meeting, the numbers of shares with respect to which votes were validly cast, the proportion of the share capital represented by such votes, the total number of valid votes, the votes for and against each resolution and any abstentions shall be determined, at minimum.

Once the voting on the proposed resolutions has concluded and the outcome thereof has been announced by the Chairman, the Shareholders' Meeting shall be deemed to have concluded and the Chairman shall declare the meeting as adjourned.

The resolutions approved and the outcome of the voting shall be published in full on the Company's website within the five days following the end of the Shareholders' Meeting."

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In Sabadell, on December 18, 2017.

Exhibit 1

Scope of the amendment of the regulations

FULL WORDING OF ARTICLE 25 OF THE SHAREHOLDERS' MEETING REGULATIONS	PROPOSED AMENDMENT
<p>Article 25. Adoption of resolutions and conclusion of the Shareholders' Meeting</p> <p>The resolutions shall be adopted by simple majority of the votes cast by the shareholders present in person or by proxy at the Shareholders' Meeting, and it shall be construed that a resolution has been adopted when it obtains more votes in favor than against the share capital present in person or by proxy, except where the Law or the Bylaws require a greater majority.</p> <p>In particular, for the adoption of the resolutions referred to in article 194 of the Spanish Corporations Law, if the capital present in person or by proxy exceeds fifty percent, it shall suffice for the resolution to be adopted by an absolute majority, except when, on second call, shareholders are present who represent twenty-five percent or more of the subscribed voting capital without reaching fifty percent, in which case the favorable vote of two-thirds of the share capital present in person or by proxy at the Meeting shall be necessary.</p> <p>In resolutions relating to matters not included on the agenda, shares that are not considered present in person or by proxy shall be excluded from the basis for calculating the above-mentioned majority.</p> <p>So that entities which appear as shareholders of record pursuant to the book-entry shareholder register but which act on behalf of various persons may cast</p>	<p>Article 25. Adoption of resolutions and conclusion of the Shareholders' Meeting</p> <p>The resolutions shall be adopted by simple majority of the votes cast by the shareholders present in person or by proxy at the Shareholders' Meeting, and it shall be construed that a resolution has been adopted when it obtains more votes in favor than against the share capital present in person or by proxy, except where the Law or the Bylaws require a greater majority.</p> <p>In particular, for the adoption of the resolutions referred to in article 194 of the Spanish Corporations Law and not referred to Shareholders Meetings Reserved Matters (as defined below), if the capital present in person or by proxy exceeds fifty percent, it shall suffice for the resolution to be adopted by an absolute majority, except when, on second call, shareholders are present who represent twenty-five percent or more of the subscribed voting capital without reaching fifty percent, in which case the favorable vote of two-thirds of the share capital present in person or by proxy at the Meeting shall be necessary.</p> <p>Additionally, to adopt resolutions on the matters referred below (the "Shareholders Meetings Reserved Matters"), the favourable vote of sixty-nine per cent (69%) of the share capital of the Company shall be necessary on first call and the favourable vote of sixty-six per cent (66%) of the share</p>

<p>their votes in accordance with the instructions from such persons, the Company shall allow the vote to be split and to be cast in different directions according to the different voting instructions, if any.</p> <p>The intermediary entities referred to in the preceding paragraph may delegate the vote to each one of the indirect holders or to third parties designated by them, without any limitation on the delegations granted.</p> <p>The Chairman shall declare the resolutions as approved where he has a record of the existence of sufficient votes in favor, without prejudice to recording in the Minutes the direction of the vote or the abstention of the attending shareholders who indicate such circumstance to the notary (or, as the case may be, to the Secretary or personnel who assist him).</p> <p>For each resolution submitted to a vote by the shareholders' meeting, the numbers of shares with respect to which votes were validly cast, the proportion of the share capital represented by such votes, the total number of valid votes, the votes for and against each resolution and any abstentions shall be determined, at minimum.</p> <p>Once the voting on the proposed resolutions has concluded and the outcome thereof has been announced by the Chairman, the Shareholders' Meeting shall be deemed to have concluded and the Chairman shall declare the meeting as adjourned.</p> <p>The resolutions approved and the outcome of the voting shall be published in full on the Company's website within the five days following the end of the Shareholders' Meeting.</p>	<p>capital of the Company on second call:</p> <ul style="list-style-type: none"> (i) capital increases, or the issuance of bonds or securities convertible into shares, with or without preferred subscription rights, and the delegation to the Board of Directors of the power to resolve on any of the preceding matters; (ii) capital reductions unless mandatory by applicable law; (iii) the approval of any structural modification, such as transformation of corporate form, mergers, spin-off, transfer en bloc of assets and liabilities or relocation of registered office of the Company to another country; (iv) the approval of transactions for the acquisition or disposal of "essential assets" pursuant to articles 160.f) and 511 bis 2 of the Companies Act; (v) the voluntary winding-up of the Company; (vi) the amendment of the number of members of the Board of Directors; (vii) de-listing of the Company's shares from any securities markets; (viii) the amendment of the Company's bylaws with respect to any of the above matters. <p>In resolutions relating to matters not included on the agenda, shares that are not considered present in person or by proxy shall be excluded from the basis for</p>
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	<p>calculating the above-mentioned majority.</p> <p>So that entities which appear as shareholders of record pursuant to the book-entry shareholder register but which act on behalf of various persons may cast their votes in accordance with the instructions from such persons, the Company shall allow the vote to be split and to be cast in different directions according to the different voting instructions, if any.</p> <p>The intermediary entities referred to in the preceding paragraph may delegate the vote to each one of the indirect holders or to third parties designated by them, without any limitation on the delegations granted.</p> <p>The Chairman shall declare the resolutions as approved where he has a record of the existence of sufficient votes in favor, without prejudice to recording in the Minutes the direction of the vote or the abstention of the attending shareholders who indicate such circumstance to the notary (or, as the case may be, to the Secretary or personnel who assist him).</p> <p>For each resolution submitted to a vote by the shareholders' meeting, the numbers of shares with respect to which votes were validly cast, the proportion of the share capital represented by such votes, the total number of valid votes, the votes for and against each resolution and any abstentions shall be determined, at minimum.</p> <p>Once the voting on the proposed resolutions has concluded and the outcome thereof has been announced by the Chairman, the Shareholders' Meeting shall be deemed to have concluded and the Chairman shall declare the meeting as adjourned.</p>
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