

ANNEX 1

ANNUAL REPORT ON THE REMUNERATION OF THE DIRECTORS OF LISTED CORPORATIONS

IDENTIFICATION OF THE ISSUER

CLOSING DATE OF BASELINE FISCAL YEAR

12/31/2017

TAX ID

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COMPANY NAME:

FLUIDRA, S.A.

REGISTERED ADDRESS

AVENIDA FRANCESC MACIA, 60 PLANTA 20 SABADELL

STANDARD FORM OF ANNUAL REPORT ON REMUNERATION OF THE DIRECTORS OF LISTED COMPANIES

A THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT FISCAL YEAR

A.1. Explain the company's remuneration policy. This section should include information about:

- General principles and bases of the remuneration policy.
- Most significant changes made in the remuneration policy compared with that of the previous fiscal year, as well as any modifications of the conditions for the exercise of previously-granted options carried out during the fiscal year.
- Criteria used and composition of comparable business groups whose remuneration policies were examined to establish the company's remuneration policy.
- Relative importance of the variable items of remuneration in relation to the fixed items of remuneration and criteria applied to determine the various components of the directors' remuneration packages (remuneration mix).

Explain the remuneration policy

This annual compensation report is the same as that which was approved by the board of directors on February 28, 2018, apart from this section A which relates to the company's compensation policy for the current year, and which has been prepared to reflect the directors' compensation policy which shall be applicable as from the date on which the Merger between Fluidra, S.A. ("Fluidra") and Piscine Luxembourg Holdings 2 S.à r.l., ("Zodiac HoldCo") referred to below, takes effect.

On February 20, 2018, Fluidra's AGM approved the cross-border merger by absorption of Zodiac HoldCo (absorbed company) by Fluidra (surviving company), whereby the absorbed company would be extinguished but not liquidated and its assets and liabilities transferred to the surviving entity, which would assume the assets and liabilities and the rights and obligations of the absorbed company (the "Merger"). As of the date on which the deed of merger is filed with the commercial registry corresponding to Fluidra's registered address, Fluidra's Board of Directors will be composed of twelve members broken down as follows: four independent directors, four directors proposed jointly by Fluidra's syndicated shareholders, and four directors proposed by the Sole Shareholder of Zodiac HoldCo. As part of the merger agreement and on the recommendation of Fluidra's Board of Directors, the AGM has approved, contingent upon the registration of the deed of merger in the Commercial Registry corresponding to Fluidra's registered address, the appointments, resignations and/or removals of directors needed to implement the composition of Fluidra's Board of Directors as indicated above.

Simultaneously to the approval of this Annual Report on the Remuneration, Fluidra's Board of Directors has proposed to the shareholders for their approval conditional upon the registration of the Merger and as from the Merger registration date, the Company's director remuneration policy in order to adapt the existing one to the new composition of the Board of Directors. The policy will detail the characteristics of the remuneration to be paid to directors for all of the functions they perform.

For this year, and until Fluidra's newly composed Board of Directors is in place and the new director remuneration policy has been approved, the Company's current remuneration policy for 2017, which is based on the director remuneration policy approved by the Company's AGM on May 3, 2016, will remain in place.

General principles and bases of the remuneration policy

In accordance with article 217 of the LSC, the Compensation Policy for Directors seeks to ensure that their compensation is in reasonable proportion to the Company's size, its economic situation and the market standards of comparable companies. The aim of the compensation system is to promote the sustainable creation of value over the long term, linking the compensation of the Directors to the return and interests of the shareholders, and it includes the necessary safeguards to avoid the excessive assumption of risks and the rewarding of unfavorable results.

Additionally, Fluidra takes into account the economic environment, the Company's results, the Fluidra group's strategy, best market practices and the corporate governance recommendations in relation to compensation.

In view of the foregoing, Fluidra's Compensation Policy for Directors is based on the following general principles:

- The compensation policy must ensure that compensation is reasonable and consistent with the trends and references regarding compensation followed in the market in relation to companies with a similar structure and overall size, and it should take into account the Company's strategic approach and the situation in the territories in which the Company operates.
- The compensation policy must be geared toward stimulating performance which ensures the generation of value on the long-term and the sustainability of results over time, being in line with the shareholders' interests.

- The compensation policy must seek to reward quality, dedication, responsibility, business knowledge and commitment to the Company.
- The compensation must take internal equity into consideration.
- The rules for the management of compensation must be explicit, known by the directors and written in a clear and concise manner.
- The Company must comply in any case with all of the reporting obligations related to the compensation of directors under the LSC, as well as any other applicable legislation.

Most significant changes made in the remuneration policy compared with that of the previous fiscal year, as well as any modifications of the conditions for the exercise of previously-granted options carried out during the fiscal year

Simultaneously to the approval of this Annual Report on the Remuneration, Fluidra's Board of Directors has proposed to the shareholders for their approval conditional upon the registration of the Merger and as from the Merger registration date:

- the increase of the maximum compensation per annum from 1,200,000 euros to 1,600,000 euros. This increase is due to the increase in the number of members forming the Board of Directors after the Merger and with the new size and complexity of the Fluidra group; and
- a long-term incentive plan called "Performance Share Plan 2018 – 2022" (the "2018-2022 Plan") for the key executives and executive directors of the Fluidra group.

Criteria used to establish the company's remuneration policy and relative importance of the variable items of remuneration in relation to the fixed items of remuneration and criteria applied to determine the various components of the directors' remuneration packages

There follows a description of the main governance provisions applicable to Fluidra in the process of determination, application and supervision of its Directors' Compensation Policy, pursuant to the bylaws, the Company's Board of Directors' Regulations and the resolutions adopted by the Shareholders' Meeting, all in accordance with the provisions established in this respect in the legislation applicable to listed companies.

The compensation system distinguishes between the compensation of the Directors corresponding to their supervisory and collegiate decision-making functions as such, and compensation for the performance of executive duties at the Company.

In application of the principles set out in section 3.1 above, Fluidra's compensation policy in respect of the supervisory and collegiate decision-making functions corresponding to Directorship positions shall have the following characteristics:

- The information on directors' compensation shall be transparent.
- The compensation shall be paid as a reward for their dedication, qualifications and responsibility, without compromising their independence.
- The compensation shall be made up of an annual fixed amount and fees for attending the meetings of the Board of Directors and its executive and advisory committees, depending on their position and responsibilities within the Board of Directors and its committees.
- The compensation shall not include components linked to profits or stock market value, in order to separate it from short-term objectives and variables, pursuant to Corporate Governance recommendations.
- Directors shall be compensated for the travel and other expenses they incur to attend meetings of the Company or to carry out their duties.

The maximum annual amount of compensation for the Directors corresponding to the supervisory and collegiate decision-making functions of their Directorship positions shall be set by the Shareholders' Meeting and distributed by the Board of Directors as it so determines bearing in mind the criteria set forth above. This maximum amount will remain in force until the Shareholders' Meeting resolves to change it.

The general principles and bases of the compensation policy that apply to directors with executive duties ("Executive Directors") at the Company are the following:

- The compensation for the performance of executive functions shall be on top of any compensation that the Director may receive for the supervisory and collegiate decision-making functions corresponding to his/her position as a Board member.
- Compensation shall be allocated for the performance of executive functions in accordance with the policy established for the compensation of senior executives and with what is stipulated in their respective contracts according to objective criteria.
- The compensation system shall offer a balanced and efficient relationship between the fixed components and the variable components so that the fixed component constitutes a sufficiently high part of the total compensation.
- The compensation system shall include components in cash and in kind.
- The variable compensation shall be set with a medium- and long-term view, which provides an incentive for performance in strategic terms in addition to the achievement of short-term results, considering the current situation and the Company's outlook and objectives with regard to sustainable growth, without the variable compensation threatening the Company's ability to maintain its solvency and financial situation.
- The compensation policy shall seek to promote and encourage the achievement of the Company's strategic objectives by incorporating long-term incentives, reinforcing continuity in the Company's competitive development, fostering motivation, loyalty and retention, whilst keeping their compensation in line with best practices.
- The long-term incentive shall include a clause that enables the Company to claim reimbursement of the compensation arising from it in the event it is subsequently revealed that the determination thereof was based on incorrect or inaccurate data.

The compensation policy is therefore geared towards creating value for the Company, and seeks to be in alignment with its shareholders' interests through prudent risk management and through strict compliance with the legislation in force on directors' compensation and the recommendations on Corporate Governance in relation to the compensation of directors of listed companies.

A.2 Information about the groundwork and decision-making process involved in setting the remuneration policy and the role played, if any, by the Remuneration Committee and other oversight bodies involved in setting the remuneration policy.

This information must include, where applicable, the composition and terms of office of Remuneration Committee members and the identifies of external advisers whose services were engaged to define the remuneration policy.

Describe the characteristics of the directors who participated in the definition of the remuneration policy, where applicable.

Explain the process for setting the remuneration policy

As explained in part A1, this section will not be completed until the Annual Remuneration Report is reformulated.

The composition, powers and workings of Appointments and Remuneration Committee are contained in Article 14 of the Board Regulations which, with its current text, establish as follows:

Article 14. Appointments and Remuneration Committee. Composition, Powers and Functioning
“Likewise, an Appointments and Remuneration Committee shall be created within the Board of Directors, made up of a minimum of 3 non-executive directors, at least two of which must be independent directors, which shall be appointed by the Board of Directors, without prejudice to the attendance of executive directors or senior executives when this is expressly resolved by the members of the Committee. The members of the Appointments and Remuneration Committee shall be designated taking into account their knowledge, skills and experience as well as the scope of the Committee. Any director may ask the Committee to take into account potential candidates to cover vacancies for directors if they consider them suitable.”

The Chairman of the Appointments and Remuneration Committee must be an independent director, chosen from amongst the independent directors that form part of it. The duties of Secretary of the Committee shall be carried out by the person appointed from amongst its members.”

Without prejudice to other duties that may be assigned to it by Law, the Articles of Association or the Board of Directors, the Appointments and Remuneration Committee has the following basic responsibilities:

- To formulate and review the criteria that should be followed for the composition of the management team of the Company and its subsidiaries and for the selection of candidates.
- To evaluate the skills, knowledge and experience necessary in the Board and therefore, to define the duties and responsibilities necessary for the candidates that shall cover each vacancy, and to evaluate the time and dedication required so that they can properly carry out their duties.
- To inform and submit to the Board of Directors the proposals for the appointments and dismissals of senior executives and executives that the chief executive proposes, as well as the basic conditions of their contracts.
- To inform the Board about the matters related to gender diversity and the Directors’ qualifications mentioned in article 6.2 of these Regulations.
- It shall propose to the Board of Directors: (i) the remuneration policy for the directors and the CEOs or whoever else carries out the duties of senior executives reporting directly to the Board of Directors, the Executive Committee or the managing directors; (ii) the individual remuneration of the executive directors and any other conditions of their contracts; (iii) the hiring policies and the basic conditions of the contracts of the Company’s senior executives.
- To examine and organise, as it sees fit, the succession of the Chairman and of the chief executive and, if appropriate, to make proposals to the Board so that this succession occurs in an orderly and well-planned way.
- To ensure the observance of the remuneration policy established by the Company and the transparency of the remuneration.
- To establish a target for representation of the least-represented sex in the Board of Directors and establish guidelines regarding how to reach this objective.
- To submit to the Board of Directors the proposals for the appointment of independent directors for their designation by cooptation or for their submission to the decision of the AGM, as well as the proposals for the re-election or dismissal of these directors by the AGM.
- To report the proposals for the appointment of the remaining directors for their designation by cooptation or for their submission to the decision of the AGM, as well as the proposals for their re-election or dismissal by the AGM.

At present, the Appointments and Remuneration Committee is composed of:

First and last names	Office	Appointment date
Richard J. Cathcart	Member	05/06/2013
ANIOL (Mr Bernat Garrigós Castro)	Member*	06/06/2012
Oscar Serra	Member	2/12/2014
Jorge Valentín Constans	Chairman	05/05/2015

(*) Holding the office of Committee Secretary

A.3 State the amounts and the nature of the fixed components, with a breakdown, if applicable,

of the remuneration paid to executive directors for performing their duties as senior managers, the additional remuneration paid to the chairperson and to the members of any of the Board's committees, the attendance fees paid for sitting on the Board and any of its committees, and any other fixed remuneration paid to directors, in addition to an estimate of the fixed annual remuneration paid out. Describe any other non-cash benefits and the basic parameters for making such payments.

Explain the fixed components of remuneration

Until the date on which the new remuneration policy for directors will become effective, the fixed remuneration of the directors is detailed in the annual remuneration report for 2017. From that date onward, will be as follows

- a) Compensation in respect of the supervisory and collegiate decision-making functions
- 82,000 euros per annum for each member of the Board of Directors.
 - For the responsibility and dedication required by belonging to the different Committees and Chairmanship and coordination of the Board:
 - An additional 15,000 euros per annum for each member of the Appointments and Compensation Committee, except the Committee chairman, who will receive an additional 20,000 euros.
 - An additional 15,000 euros per annum for each member of the Audit Committee, except for the Committee chairman, who will receive an additional 20,000 euros.
 - An additional 12,000 euros per annum for each member of the Executive committee, except for the Committee chairman, who will receive an additional 16,000 euros.
 - An additional 36,000 euros per annum for the chairman of the Board of Directors.
 - An additional 15,000 euros per annum for the coordinator of the Board of Directors.
 - The above notwithstanding, the executive directors who form part of the various Committees shall receive no additional amount in respect of their membership thereof.
 - The fees for attending the meetings of the Board or its Committees amount to 8,000 euros per annum. However, the amount received by the directors who reside outside of Spain amounts to 20,000 euros per annum.
- b) Compensation in respect of the executive functions
- Mr. Eloy Planes: 360,000 euros per annum
Mr. Bruce Brooks: 518,000 euros per annum

A.4 Describe the amounts, types and characteristics of the variable components of your remuneration schemes.

Specifically:

- Describe each one of the remuneration schemes of which the directors are beneficiaries: scope, approval date, implementation date, term and main characteristics For schemes that include stock options and other financial instruments, the general description of the plans should include information about the terms and conditions for exercising these stock options or financial instruments under each plan.

Describe any remuneration in the form of profit-sharing or bonus schemes, and the reason why such schemes were approved.

- Explain the basic parameters and features of any annual bonus schemes in place.

The types of directors (executive directors, external proprietary directors, external independent directors and other external directors) who are the beneficiaries of remuneration schemes or plans that include variable remuneration.

The features of these variable remuneration schemes or plans, the performance assessment criteria chosen, as well as the components and assessment methods used to

calculate whether or not the assessment criteria have been met and an estimate of the total amount of the variable remuneration to be paid under the current remuneration scheme, based on the degree to which the benchmark performance criteria and goals have been met.

- If applicable, provide information about any deferred payment periods and/or any mandatory holding periods for stock or other financial instruments that may be in place.

Explain the variable components in your remuneration schemes

The only members of the Board who receive variable remuneration are the executive Directors.

Until the date on which the new remuneration policy for directors will become effective, the variable remuneration of the Executive Director is detailed in the annual remuneration report for 2017. From that date onward, the new remuneration policy applicable to Executive Directors will be as follows

a) Annual variable compensation

The annual variable compensation corresponding to the Executive Directors, prior to weighting based on the achievement scale, may not exceed 100% of fixed compensation in respect of executive functions. The achievement scale for economic objectives goes up to a maximum of 200% in the event of achieving the maximum values established for each indicator:

- (i) 85% economic objectives: free cash-flow, EBIT over sales and total growth in sales and
- (ii) 15% management objectives.

The achievement scale ranges from a payment of 40% of the variable amount in the event of achieving the minimum levels established for each indicator, up to maximum payment of 200% in the event of achieving the maximum levels established for each indicator.

b) Long-term variable compensation

Throughout the period that the Compensation Policy remains in force, the Executive Directors shall be the beneficiaries of the following long-term incentive plans implemented by the Company:

(i) "Performance Share Plan 2015 – 2018" long-term incentive

The Shareholders' Meeting held on May 5, 2015 approved a long-term incentive plan referred to as the "Performance Share Plan 2015 – 2018" (the "2015-2018 Plan") aimed at key executives and executive directors of the Fluidra group, of which Mr. Eloy Planes is a beneficiary.

The approval of this Compensation Policy does not amend the 2015-2018 Plan, which shall remain in force with the same terms and conditions.

Due to the degree of attainment of the metrics to which the incentive was linked, for which the measurement period ended on December 31, 2017, subject as a requirement to continued service through to December 31, 2018, in January 2019, 296,156 shares of Fluidra shall be delivered to Mr. Eloy Planes in settlement of the "2015-2018 Plan".

(ii) "Performance Share Plan 2018 - 2022" long-term incentive

Simultaneously to the approval of the Compensation Policy and the Annual Compensation Report, and conditional upon the registration of the Merger and the approval thereof by the Fluidra Shareholders' Meeting, the Board of Directors, at the proposal of the ACC, has approved – subject to ratification by the first Board of Directors' meeting to be held following the Merger Registration Date - a long-term incentive plan called "Performance Share Plan 2018 – 2022" (the "2018-2022 Plan") for the key executives and executive directors of the Fluidra group.

The 2018-2022 Plan aims to encourage, motivate and retain the management team, linking the incentive to the fulfilment of Fluidra's medium- and long-term strategic plan, which will align the interests of the beneficiaries with those of shareholders by offering them competitive compensation that is in line with the market's compensation practices and the Fluidra group's new organization and strategy.

The Board of Directors has proposed to the Shareholders' Meeting the designation of Mr. Eloy Planes and Mr. Bruce Brooks as beneficiaries of the 2018-2022 Plan.

The main basic conditions of such Plan are as follows:

- Aim: The 2018-2022 Plan aims to encourage, motivate and retain the Fluidra management team, linking part of their compensation to the value of the Company's share. The 2018-2022 Plan consists of the Beneficiaries being entitled to receive a certain number of ordinary Fluidra shares subject to the meeting of certain requirements.
- Instrument: The 2018-2022 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 in the Company to be delivered to the Beneficiaries, after a certain period of time, as long as certain strategic objectives of Fluidra and the requirements established in the rules of the 2018-2022 Plan are met.
- The maximum number of Company shares to be delivered under the 2018-2022 Plan is a total of 5,737,979 shares, representing 2.93 percent of the Company's share capital as at the Merger Registration Date.
- Duration: The 2018-2022 Plan was launched on January 1, 2018 and ends on December 31, 2022, without prejudice to the effective settlement of the 2018-2022 Plan that will occur during the month of January 2023. The measurement period for compliance with the economic objectives to which the Plan is linked is four years, from January 1, 2018 through to December 31, 2021. There is therefore an additional period of one year, through to December 31, 2022, throughout which the Beneficiary is required to remain with the Fluidra group.
- Individual assignment. The individual assignment of the number of PSUs for each of the Beneficiaries of the 2018-2022 Plan is carried out by the Board of Directors based on the ACC's proposal, except in the case of directors with executive functions, for which the PSUs are to be assigned by the Shareholders' Meeting, where appropriate. The Board of Directors has proposed to the Shareholders' Meeting by which this Compensation Policy will be approved the award of 180,000 PSUs to Mr. Eloy Planes and 291,375 PSUs to Mr. Bruce Brooks.
- Requirements for settlement of the incentive: The requirements to be met for the Beneficiary to be able to receive the shares resulting from the Plan are the following:
 - Insofar as relates to total PSUs awarded, the Beneficiary must continue to serve Fluidra through to December 31, 2022, except in special circumstances such as death, permanent disability, retirement, and other situations established in the Regulations. In the event of the Beneficiary resigning or his/her lawful dismissal or justified termination, he/she shall therefore lose entitlement to receive the shares under this 2018-2022 Plan.

- In addition to the continued service requirement, a percentage of PSUs granted, which shall be no lower than 80 percent of the total, shall be subject to compliance with the financial objectives to which the Plan is linked, in the terms and conditions set out in the Plan Regulations approved by the Board of Directors.

In the case of executive directors, all the PSUs awarded are subject to continued service requirements and to compliance with the financial objectives to which the Plan is linked.

- Metrics: The degree of achievement, and therefore the number of Fluidra shares to be delivered to the Beneficiaries, will depend on the degree of achievement of the financial objectives to which the 2018-2022 Plan is linked, insofar as relates to the percentage of PSUs awarded which is linked to such achievement. The specific number of Fluidra shares to be given to each beneficiary on the settlement date if the conditions established are met, insofar as relates to the PSUs granted linked to the fulfilment of the financial objectives, shall be established based on:

- The evolution of Fluidra's total shareholder return ("TSR") in absolute terms, and
- The evolution of Fluidra group's EBITDA.

The weighting percentages for the Executive Directors are 70% for the TSR target and 30% for the Fluidra group EBITDA target.

Both the TSR and the EBITDA will be determined during the measurement period for the achievement of economic objectives, which will be the time period between January 1, 2018 and December 31, 2021.

The metrics attainment scale ranges from 25%, in the event of attainment of the minimum levels established for each metric, up to a maximum of 170% in the event of attaining or exceeding the maximum values established for each metric. The maximum number of shares to be delivered to the Executive Directors in the event of attaining or exceeding the maximum values established for each metric will therefore be 306,000 in the case of Mr. Eloy Planes Corts and 495,338 shares in the case of Mr. Bruce Brooks.

- Delivery of the shares and rules on disposal. The delivery of the shares in payment of the variable compensation shall be executed either by Fluidra or by a third party in accordance with the coverage systems adopted by the Board of Directors.
- From the time that the shares are allocated until a period of three years after their acquisition, the executive directors may not transfer the ownership of a number of shares equivalent to twice their fixed annual compensation. However, the above shall not apply to any shares that an Executive Director needs to dispose of, if necessary, to meet the costs associated with their acquisition, including taxation arising from the delivery of the shares.

The Compensation Policy which is submitted to the meeting also includes, in section 8, a description of the compensation scheme consisting of an incentive plan which was formalized by the shareholders of Zodiac Holdco, prior to the Merger, in favor of its executives.

A.5. Describe the main characteristics of long-term savings schemes, including pension and other survivor benefit plans that are partially or totally funded by the company, whether funded internally or externally, with an estimate of the amounts involved or the equivalent annual cost. For defined contribution or benefit plans, state the type of plan, the vesting conditions of the rights accrued by directors and their compatibility with any other type of severance pay for the early termination or cancellation of the contractual relationship between the company and a director.

Also state the contributions paid into defined contribution pension plans on behalf of directors, or the increase in accrued benefits to which directors are entitled in the case of contributions to defined benefit plans.

Explain the long-term savings schemes

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.

Moreover, the executive directors are recognized a defined-contribution pension commitment entailing the setting up of a retirement pension fund through annual contributions made by the Company for the amount up to 16,000 euros.

These commitments are implemented through insurance policies.

A.6. Describe any severance packages agreed on or paid when directors resign.

Describe the severance packages.

There are no severance packages agreed upon in the event of termination of directors, except in the case of the Executive Directors, as detailed in section A.7.

A.7. Describe the conditions that must be observed in the contracts signed with senior managers who act as executive directors. Include, for example, information on terms, limits on severance pay, retention clauses and notice periods, in addition to payment in lieu of notice and any other clauses relating to hiring bonuses, in addition to severance packages and golden parachute clauses in the event of early termination or cancellation of the contractual relationship between the company and executive directors. Include non-compete, exclusivity, term of office, loyalty and post-contract non-compete clauses and agreements.

Explain the terms and conditions of the contracts of 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, the 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 undertaking

Notwithstanding the executive directors' undertaking not to compete with the Company while the contracts are in force, a post-contractual non-competition agreement is established with a duration of two years from the conclusion of the effective provision of services.

The economic compensation established for the commitment pursuant to the post-contractual non-compete undertaking of the Executive Directors is as follows:

In the case of Mr. Eloy Planes Corts, two times his gross annual fixed compensation in force at the time of termination of the contract.

In the case of Mr. Bruce Brooks, the economic compensation derived from the non-compete undertaking is included in the amount of compensation established for him.

Severance pay for termination of the contract

Following the Good Governance recommendations for listed entities, the severance to which the executive directors will be entitled in case of termination of the contract at the instance of Fluidra for any reason, except in case 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.

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 gross annual target variable salary for the preceding year.

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.

Advance 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 party not in breach shall be entitled to receive an amount equal to the fixed compensation pending payment during the period not complied with.

A.8 Describe any additional remuneration earned by directors in consideration for services

rendered, other than those inherent to their posts.

Explain additional remuneration

There is no additional remuneration earned by directors for services other than those inherent to their posts.

A.9 Describe any remuneration in the form of advances, loans and pledges, indicating the interest rates and basic features, as well as any amounts that may have been repaid and the obligations assumed using them as collateral.

Explain any advance payments, loans and pledges granted

There is no remuneration paid as advance payments, loans or guarantees.

A.10 Describe the main characteristics of in kind remuneration.

Explain in kind remuneration.

The Executive Directors receive certain benefits by way of compensation in kind, including the use of a company car, family healthcare insurance, and their inclusion as insured parties under the Fluidra civil liability insurance policy for directors and executives.

By reason of his expatriation, Mr. Bruce Brooks will receive tax and legal advice while he is on assignment and he will be paid the relocation costs associated with his assignment. He is also to receive an expatriation allowance in respect of his move to Spain from the US, where he provided services to the Zodiac Group. He shall receive such allowance, consisting of certain amounts to compensate for the housing and travel expenses deriving from his move to Spain, for a maximum of 6 years (renewable by mutual agreement), the maximum amount being 120,000 euros per annum.

A.11 State the remuneration earned by directors as a result of payments made by the listed company to any third parties where the directors work if such payments are made to compensate them for the services they render to the company.

State the remuneration earned by the director as a result of payments made by the listed company to a third party where the director works.

There is no such remuneration.

A.12. Any salary items of any kind other than those mentioned above, regardless of the group company that pays them, especially when they are considered related party transactions or their omission could distort a true image of the director's total salary.

Explain other forms of remuneration

There is no other remuneration paid out other than that described above.

A.13 Explain the actions taken by the company regarding the remuneration system in order to reduce exposure to excessive risk and align it with the long-term goals, values and interests of the company, including any reference to

a: measures provided to ensure that the remuneration policy takes into account the long-term results of the company, measures establishing an appropriate balance between the fixed and variable components of remuneration, measures adopted with respect to those categories of personnel whose professional activities have a significant impact on the entity's risk profile, recovery formulas or clauses to be able to demand the return of the variable components of remuneration based on results if such components have been paid based on data that is later clearly shown to be inaccurate, and measures provided to avoid any conflicts of interest.

Explain the actions taken to reduce risk

The annual variable remuneration of the Directors with executive functions is linked to their performance by reference to financial and management objectives.

In turn, the long-term variable compensation is linked to specific financial measures, and establishes a one-year period of deferral of the delivery of the shares, and for the Executive Directors, a three-year period of retention of the shares delivered equivalent to two times his annual fixed remuneration

B REMUNERATION POLICY FOR FUTURE FISCAL YEARS

Repealed.

C OVERALL SUMMARY OF THE APPLICATION OF THE REMUNERATION POLICY DURING THE FISCAL YEAR JUST ENDED

C.1 Summarize the main features of the structure and items of remuneration from the remuneration policy applied during the fiscal year just ended, which give rise to the breakdown of individual remuneration accrued by each of the directors as reflected in section D of this report, and provide a summary of the decisions made by the board to apply such items.

Explain the structure and items of remuneration from the remuneration policy applied during the financial year

On May 3, 2016, the Company approved Fluidra's Director Remuneration Policy for 2016 and the next three years, notwithstanding any modifications, adaptations, updates or substitutions that may be necessary at any given time, subject to approval by Fluidra's AGM.

The general principles and foundations of Fluidra's remuneration policy are as follows:

- The remuneration policy will endeavour to ensure that remuneration is moderate and in keeping with the remuneration trends and benchmarks followed in the market by comparable companies as regards its structure and

overall amount and it will be positioned vis-à-vis the market according to the Company's strategic approach and the situation in the territories in which it operates.

- Remuneration will be aligned with the interests of the shareholders and with

the sustainable profitability of the Company.

- The remuneration policy will endeavour to reward quality, dedication, responsibility, knowledge of the business and commitment to the Company.

- Remuneration will take internal fairness into account.

- The rules governing the remuneration will be express, known by the directors

and drafted in a clear and concise manner.

- The Company will comply in all cases with the directors' remuneration reporting requirements set out in the Capital Companies Law, as well as in the other applicable legislation.

The general principles and foundations of the remuneration system established for directors seek to ensure that their remuneration is reasonably proportionate to the

importance of the Company, its economic situation and the market standards of comparable companies.

In addition, Article 44 of the current version of the Company's by-laws establishes the following general principles and foundations of the remuneration policy:

1. The Directors' remuneration shall consist of an annual fixed and

determined amount and an allowance for attendance at the meetings of the Board of Directors and its advisory and representative Committees. The maximum amount of the annual remuneration that the Company may pay to all Directors in their capacity as such for both purposes will be determined the AGM and will remain in force until amended by the AGM. Unless the AGM determines otherwise, it is the responsibility of the Board of Directors to determine, at its entire discretion, the exact amount to be paid and how it is to be distributed among the Directors, as well as the payment schedule. The criteria used to determine the remuneration to be paid to each Director should be a reflection of the

professional performance of each one, taking into account the duties and responsibilities assumed by each Director and his/her membership on Board committees.

2. Additionally, and apart from the remuneration considered in the preceding paragraph, remuneration systems may be established that are linked to the share price or that involve awarding shares or stock options to the Directors. The application of such remuneration systems must be decided by the AGM. The resolution of the General Meeting must include the maximum number

of shares that can be assigned to this remuneration system in each fiscal year,

the share value used as a reference, the number of shares to be awarded to each Director, the strike price or the system for calculating the strike price of the stock options, the length of this remuneration system and any other conditions that are deemed appropriate.

The remuneration envisaged in the preceding paragraphs for sitting on the Board of Directors must be compatible with any other income earned by the Directors for other executive or consulting duties they may perform for the Company aside from supervisory and collegiate decision-making in their capacities as Directors, as regulated by law.

In accordance with article 44.1 of the By-laws, on June 5, 2009, Fluidra's AGM resolved set the maximum

annual gross remuneration that the Company is allowed to pay directors as a whole at one million two hundred thousand euros (€1,200,000). As established in the referenced article, this amount will remain in force until it is amended by the AGM.

The remuneration policy has not changed compared to the year before.

D BREAKDOWN OF THE INDIVIDUAL REMUNERATION EARNED BY EACH DIRECTOR



Name	Type	2017 accrual period
DISPUR	Independent	From 01/01/2017 to 12/31/2017
RICHARD J. CATHCART	Independent	From 01/01/2017 to 12/31/2017
ANIOL S.L	Proprietary Director	From 01/01/2017 to 12/31/2017
BANC SABADELL INVERSIÓ I DESENVOLUPAMENT, S.A	Proprietary Director	From 01/01/2017 to 07/13/2017.
BERNAT CORBERA SERRA	Proprietary Director	From 01/01/2017 to 12/31/2017
ELOI PLANES CORTS	Executive director	From 01/01/2017 to 12/31/2017
GABRIEL LÓPEZ ESCOBAR	Independent	From 01/01/2017 to 12/31/2017
JORGE VALENTÍN CONSTANS FERNÁNDEZ	Independent	From 01/01/2017 to 12/31/2017
JUAN IGNACIO ACHA-ORBEA ECHEVARRÍA	Independent	From 01/01/2017 to 12/31/2017
OSCAR SERRA DUFFO	Proprietary Director	From 01/01/2017 to 12/31/2017

D.1 Fill in the following tables on the individual remuneration earned by each director (including the remuneration earned for performing executive duties) during the fiscal year.

a) a) Remuneration earned in the company which is the object of this report:

i) Cash remuneration (in thousands of €)

Name	Salaries	Remuneration fixed	Allowances	Remuneration variable short term	Remuneration variable long term	Remuneration by retention on board committees	Severance pay	Other item	Total year 2017	Total year 2016
ELOI PLANES CORTS	260,100	110,000	8,000	182,070	0	0	0	22,187	582,357	561,190
BERNAT CORBERA SERRA	0	76,000	8,000	0	0	10,000	0	0	94,000	92,000
OSCAR SERRA DUFFO	0	76,000	8,000	0	0	10,000	0	0	94,000	92,000
ANIOL S.L	0	76,000	8,000	0	0	10,000	0	0	94,000	92,000

Name	Salaries	Remuneration fixed	Allowances	Remuneration variable short term	Remuneration variable long term	Remuneration by retention on commissions the Board	Severance pay	Other item	Total year 2017	Total year 2015
BANC SABADELL INVERSIÓ I DESENVOLUPAMENT, S.A S.A.	0	50,666	4,667	0	0	6,667	0	0	62,000	92,000
JORGE VALENTÍN CONSTANS FERNÁNDEZ	0	76,000	8,000	0	0	12,000	0	0	96,000	92,000
RICHARD J. CATHCART	0	76,000	18,500	0	0	12,000	0	0	106,500	104,500
JUAN IGNACIO ACHA-ORBEA ECHEVARRÍA	0	76,000	8,000	0	0	10,000	0	0	94,000	92,000
GABRIEL LÓPEZ ESCOBAR	0	86,000	8,000	0	0	12,000	0	0	106,000	104,000
DISPUR	0	76,000	8,000	0	0	0	0	0	84,000	84,000

ii) Stock-based remuneration schemes

ELOI PLANES CORTS
Fluidra stock-based remuneration schemes

Date of Implementation	Stock options held at the beginning of 2017				Stock options assigned in fiscal year 2017			
	No. Options	Shares affected	Price FY (€)	Exercise period	No. Options	Shares affected	Price FY (€)	Expiration date
15/07/2013	0	0	0.00	There was no options plan for this year.	0	0	0.00	There was no options plan for this year.

Conditions: There was no options plan for this year.

Shares delivered in fiscal year 2017			Stock options exercised in 2017				Expired options and not exercised	Stock options at end of 20017			
No. of Shares	Price	Amount	Price FY (€)	No. Options	Shares affected	Profit Gross (€m)	No. options	No. Options	Shares affected	Price FY (€)	Expiration date
33,581	6.91	232,213	0.00	0	0	0	0	0	0	0.00	There was no options plan for this year.

Other requirements for exercising options: There was no options plan for this year.

iii) Long-term savings schemes

Name	Contributions during the year by the company (thousands of €)		Total funds cumulative (thousands of €)	
	2017 fiscal year	2016 fiscal year	2017 fiscal year	2016 fiscal year
ELOI PLANES CORTS	8,000	16,000	107,239	99,239

iv) Other benefits (in thousands of €)

ELOI PLANES CORTS			
Remuneration in the form of advances and loans			
Interest rate on the transaction		Essential characteristics of the operation	Amounts eventually returned
0.00		None	None
Life insurance premiums		Guarantees provided by the company to the directors	
Fiscal year 2017	Fiscal year 2016	Fiscal year 2017	Fiscal year 2016
11,934.24	9,599	None	None

b) Compensation accrued to Company directors for sitting on the boards of other Group companies

i) Remuneration in cash (in thousands of €)

ii) Stock-based remuneration schemes

iii) Long-term savings schemes

c) Summary of remuneration paid (in thousands of €)

The summary should include the amount of all remuneration items paid to directors as earnings and included in this report (in thousands of euros).

For long-term savings schemes, the contributions or amounts paid into these schemes must include:

Name	Remuneration earned at the company				Remuneration earned in Group companies				Total		
	Total Remuneration cash	Amount of shares awarded	Profit gross of options exercised	Total fiscal year 2017 company	Total Remuneration cash	Amount of shares delivered	Profit gross of options exercised	Total fiscal year 2017 group	Total fiscal year 2017	Total fiscal year 2015	Contributions in systems of savings during the fiscal year
ELOI PLANES CORTS	582,357	232,213	0	814,570	0	0	0	0	814,570	656,732	8,000
BERNAT CORBERA SERRA	94,000	0	0	94,000	0	0	0	0	94,000	92,000	0
OSCAR SERRA DUFFO	94,000	0	0	94,000	0	0	0	0	94,000	92,000	0
ANIOL S.L	94,000	0	0	94,000	0	0	0	0	94,000	92,000	0
BANC SABADELL INVERSIÓ I DESENVOLUPAMENT, S.A	62,000	0	0	62,000	0	0	0	0	62,000	92,000	0
JORGE VALENTÍN CONSTANS FERNÁNDEZ	96,000	0	0	96,000	0	0	0	0	96,000	92,000	0
RICHARD J. CATHCART	106,500	0	0	106,500	0	0	0	0	106,500	104,500	0
JUAN IGNACIO ACHA-ORBEA ECHEVARRÍA	94,000	0	0	94,000	0	0	0	0	94,000	92,000	0
GABRIEL LÓPEZ ESCOBAR	106,000	0	0	106,000	0	0	0	0	106,000	104,000	0
DISPUR	84,000	0	0	84,000	0	0	0	0	84,000	84,000	0
TOTAL	1,412,857	232,213	0	1,645,070	0	0	0	0	1,645,070	1,501,232	8,000

D.2 Report on the ratio between the remuneration earned by directors and revenues or other performance indicators used by the company. Where applicable, explain how variations in the company's performance have influenced changes in the directors' remuneration.

In 2017, the fixed salary increased by 2% with respect to 2016, placing it at €260,100

Insofar as variable remuneration is concerned, 85% of the target amount of €182,070 is spread across the Group's financial targets, namely: Free Cash Flow, Net Income and Sales Growth, while the remaining 15% corresponds to management targets.

In fiscal year 2016, the financial targets were not met and only 90% of the management targets were reached, as a result of which the 2016 bonus, which was paid in 2017, was €203,133.65.

As a participant in the 2013-2018 Long-Term Incentive Programme, in the second cycle a total of 33,581 shares were delivered on July 15, 2017.

D.3 Report on the results of the advisory vote cast at the AGM on the remuneration report from the year before, indicating number of votes cast against the motion (if any):

	Number	% of total
Votes cast	74,876,104	66.48%

	Number	% of total
Votes against	23,505	0.03%
Votes in favour	74,663,399	99.71%
Abstentions	189,200	0.25%

E OTHER USEFUL INFORMATION

Briefly describe any relevant aspects of directors' remuneration that are not covered in other sections of this report but must be disclosed in order to provide more complete and conclusive information on the structure and practices implemented by the company vis-à-vis director remuneration.

There are none.

This annual remuneration report was approved by the company's Board of Directors at the meeting held on May, 21.

State whether any directors have voted against or abstained from voting to approve of this report.

YES

No