

**REPORT BY THE BOARD OF DIRECTORS OF
FLUIDRA, S.A.**

ON

**THE COMMON TERMS OF MERGER BETWEEN FLUIDRA, S.A. (as absorbing
company) AND PISCINE LUXEMBOURG HOLDINGS 2 S.à r.l. (as absorbed company)**

AND

THE PROPOSED AMENDMENTS TO THE BYLAWS OF FLUIDRA, S.A.

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The Board of Directors of Fluidra, S.A. (“**Fluidra**”) has issued this report for the purpose of explaining and justifying, in Section I, the legal and economic aspects of the common terms of merger relating to the cross-border merger by absorption of Piscine Luxembourg Holdings 2 S.à r.l. (“**Zodiac HoldCo**”) by Fluidra, as well as the implications of the merger (the “**Merger**”) for the shareholders, creditors and employees, all in accordance with article 33 of Law 3/2009, of April 3, 2009, on structural changes to business corporations (the “**Spanish Structural Changes Act**”).

The Board of Directors of Fluidra also issues this report in order to comply, in Section II, with the provisions of articles 296 and 300 of the revised Companies Act, approved by Legislative Royal Decree 1/2010, of July 2, 2010 (the “**Spanish Companies Act**”) in relation to the capital increase to be performed at Fluidra in the framework of the merger and in order to comply with the provisions of article 286 of the Spanish Companies Act in relation to the proposed amendments to the Bylaws of Fluidra.

SECTION I

**ON THE COMMON TERMS OF MERGER BETWEEN FLUIDRA, S.A. (as
absorbing company) AND PISCINE LUXEMBOURG HOLDINGS 2 S.À R.L. (as
absorbed company)**

1. INTRODUCTION

On November 29 and 30, respectively, the Board of Directors of Fluidra and the managing body of Zodiac HoldCo drafted, prepared and signed the common terms of merger (the “**Terms of Merger**”) relating to the cross-border merger by absorption of Zodiac HoldCo by Fluidra, in accordance with the provisions of articles 22 et seq. of the Spanish Structural Changes Act and articles 257 et seq. of the Luxembourg Law of August 10, 1915 on commercial companies (*loi du 10 août 1915 sur les sociétés commerciales*) (the “**Luxembourg Companies Act**”).

The Terms of Merger will be submitted for approval to the Shareholders’ Meeting of Fluidra and to the sole shareholder of Zodiac HoldCo, Piscine Luxembourg Holdings 1 S.à r.l. (the “**Zodiac HoldCo Shareholder**”), in accordance with article 40 of the Spanish Structural Changes Act and article 263 of the Luxembourg Companies Act.

In accordance with article 33 of the Spanish Structural Changes Act and article 265 of the Luxembourg Companies Act, the managing bodies of each of the entities participating in the Merger must prepare a report explaining and justifying in detail the

legal and economic aspects of the Terms of Merger, with special reference to the share exchange ratio (including the methodologies used to determine it) and any special valuation difficulties that may exist, as well as the implications of the Merger for shareholders, creditors and employees.

2. RATIONALE FOR THE MERGER

As set out in the Terms of Merger, the combination of the businesses of Fluidra and Zodiac HoldCo is based on solid business logic and will create one of the main players in the pool equipment and solutions industry. The combined business will have a global scale and a comprehensive product portfolio supported by highly-recognized brands.

Fluidra and Zodiac HoldCo have a highly complementary global footprint, in particular due to Zodiac HoldCo's significant presence in the United States and Fluidra's significant presence in Europe and in emerging markets. The geographic diversity also helps reduce risks for the combined businesses. This global reach is further underpinned by the strong presence of both businesses in the local markets in which they operate.

The combination of Fluidra's and Zodiac HoldCo's businesses offers significant potential for cost synergies deriving from economies of scale and optimization in the areas of manufacturing, research and development, sales and marketing, as well as in general and administrative areas. The resulting entity will have increased commercial opportunities, including a broader range of products and a larger, more diversified customer base. Furthermore, the resulting entity will have greater financial resources to develop new products and to fund strategic initiatives, which will allow it to better serve its customers with more innovative solutions.

Additionally, the strategic combination will allow both businesses to benefit from attractive growth prospects and an attractive business profile, as well as improved financial opportunities and a more efficient manufacturing base.

The combined business will offer one of the most attractive product portfolios in the industry.

Based on the above factors, the Merger is expected to lead to an enhanced valuation of the combined business over time and maximize value for shareholders post-Merger.

3. LEGAL ASPECTS

3.1 Structure of the planned transaction

In accordance with the Terms of Merger, the terms of which are deemed reproduced here to the extent necessary, the planned transaction consists of the cross-border merger by absorption of Zodiac HoldCo (absorbed company) by Fluidra (absorbing company) on the terms provided in articles 22 et seq. of the Spanish Structural Changes Act and articles 257 et seq. of the Luxembourg Companies Act, with the extinction, through the dissolution without liquidation, of the absorbed company and transfer *en bloc* of all of its assets and liabilities to

the absorbing company, which will acquire, by universal succession, all of the assets and liabilities and the rights and obligations of the absorbed company, on the terms and conditions provided for in the Terms of Merger.

As a result of the Merger, Zodiac HoldCo Shareholder will receive newly issued shares of Fluidra in exchange.

The identifying particulars of each of the entities participating in the Merger are set out in section 4 of the Terms of Merger.

3.2 Conditions precedent

As set out in section 10 of the Terms of Merger, the completion and effectiveness of the Merger is subject to the fulfillment of the following conditions precedent (the “**Conditions Precedent**”):

- (i) the issue of a report by the independent expert appointed by the Barcelona Commercial Registry, confirming that: (a) the methods used by the Board of Directors of Fluidra and the managing body of Zodiac HoldCo to determine the exchange ratio are appropriate, (b) the exchange ratio is justified, and (c) the assets and liabilities contributed by Zodiac HoldCo are at least equal to the amount of the capital increase at Fluidra;
- (ii) in relation to the jurisdictions of Australia, the European Union, New Zealand, South Africa, the United States of America and the United Arab Emirates, any prior clearance from the competent merger control authority in such jurisdictions having been obtained or deemed to be obtained or any waiting period applicable to the Merger under applicable merger control laws in such jurisdictions having terminated or expired;
- (iii) the granting by the Spanish Stock Exchange Commission (*Comisión Nacional del Mercado de Valores*), pursuant to article 8.g) of Royal Decree 1066/2007, of July 27, 2007, on takeovers, of an exemption to Zodiac HoldCo Shareholder with respect to its obligation to make a mandatory takeover bid for all the outstanding securities in Fluidra as a result of Zodiac HoldCo Shareholder acquiring control (as defined by the Spanish takeover regulations) over Fluidra as a result of the Merger;
- (iv) no entity of the Fluidra group nor any entity of the Zodiac HoldCo group, as of the date of registration of the Merger deed at the Commercial Registry corresponding to Fluidra’s registered office, being located or carrying out any activities in any country subject to economic sanctions laws enforced by the United States of America, the United Nations, the European Union, the United Kingdom or any other competent sanctions authority, or engaging in activities with any individuals or entities listed on the corresponding lists issued by any of the aforementioned authorities or being in violation of the applicable anti-money laundering and anti-terrorism laws; and

- (v) to the extent that the Merger is deemed to constitute a notifiable action or a significant action under the Australian foreign acquisitions and takeovers laws and regulations, that (a) written notice has been received by the Treasurer of the Commonwealth of Australia (or its delegate) to the effect that there are no objections to the Merger under the Australian foreign investment laws; or (b) following notice of the Merger having been given under Australian foreign investment laws, the Commonwealth Treasurer (or its delegate) ceasing to be empowered to make any order or decision in respect of the Merger due to the expiry of the applicable statutory waiting period.

3.3 Implications of the Merger for shareholders, creditors and employees

3.3.1 Implications for shareholders

As a result of the Merger, Zodiac HoldCo Shareholder will cease to be the sole shareholder of Zodiac HoldCo and will become a shareholder of Fluidra. This will be effected by means of the allocation of newly issued Fluidra shares to Zodiac HoldCo Shareholder, in accordance with the exchange ratio established in section 5.1 of the Terms of Merger.

The Merger will entail the conferral to Zodiac HoldCo Shareholder of the rights and obligations corresponding to it, pursuant to the law and the Bylaws, and in conditions of equality with the current shareholders of Fluidra, in its capacity as shareholder, following the receipt of the Fluidra shares by virtue of the Merger exchange.

It is placed on record that, in accordance with article 304.2 of the Spanish Companies Act, the current shareholders of Fluidra do not hold any pre-emptive right to subscribe the new shares issued to cover the Merger exchange, since the subscription of such shares will be reserved in its entirety to Zodiac HoldCo Shareholder.

The new shares to be issued by Fluidra to Zodiac HoldCo Shareholder as a result of the Merger will entitle Zodiac HoldCo Shareholder to participate in the profits of Fluidra from the registration of the Merger deed at the Commercial Registry corresponding to Fluidra's registered office, on the same terms and conditions as the other Fluidra shares already in existence on that date.

Following the registration of the Merger deed at the Commercial Registry corresponding to Fluidra's registered office, the rest of the shareholders of Fluidra other than Zodiac HoldCo (including Fluidra itself with respect to the shares held in treasury stock) will jointly own approximately 57.57% of the share capital and Fluidra will acquire all of the assets and liabilities and all of the rights and obligations of Zodiac HoldCo by universal succession. This dilution of the current shareholders of Fluidra is justified in this report by the directors of Fluidra on the terms set out in section 4 below and, based on the information available as of the date of this report, it will also be validated by an independent expert appointed by the Barcelona Commercial Registry.

In addition, on November 3, 2017, the current syndicated shareholders of Fluidra and Zodiac HoldCo Shareholder signed a shareholders' agreement in relation to the Merger which was published on that same date as material fact number 258222 (the "**Shareholders' Agreement**"). The Shareholders' Agreement regulates, inter alia, the rights and obligations that will govern the relationships between the parties as from the date of signature of such agreement and, in particular, as future shareholders of the company resulting from the Merger. This Shareholders' Agreement will also affect the other Fluidra shareholders that are not a party to it, given that it establishes a series of agreements on the corporate governance of Fluidra, which the directors consider to be positive for the stability of Fluidra's business given that they have as their purpose not to grant control of the board of the entity to any shareholder and they strengthen the majorities required to adopt resolutions.

3.3.2 Implications for creditors

The Merger will entail the transfer to Fluidra, on a universal basis and in one and the same act, of all of the assets, rights and obligations constituting the assets and liabilities of Zodiac HoldCo.

In accordance with article 44 of the Spanish Structural Changes Act, creditors of Fluidra whose claims arose prior to the date of publication of the Terms of Merger on Fluidra's website and had not fallen due at that time, will have the right to object to the Merger until their claims are secured, and must exercise such right within one month of the publication of the last notice of the resolution approving the Merger. Where creditors are entitled to object to the Merger, the Merger cannot be performed until Fluidra provides a guarantee to the satisfaction of the corresponding creditor or notifies the creditor of the grant of a joint and several guarantee on behalf of Fluidra by a credit institution duly authorized to do so, for the amount of the claims held by the creditor, and until the action for satisfaction of the claim has become statute-barred. For clarification purposes, it is placed on record that creditors whose claims are already sufficiently secured will not have the right to object to the Merger. If the Merger is performed without observing the above, the affected creditor may ask the Commercial Registry corresponding to Fluidra's registered office to include a side note to the entry regarding the Merger, placing on record the exercise by such creditor of its right of objection.

In accordance with article 268 paragraph 1 of the Luxembourg Companies Act, Zodiac HoldCo creditors whose claims predate the publication of the Merger (whether or not they had fallen due) may request the necessary guarantees for the payment of their claims within the two months following the publication of the notarial certificate established in article 273 paragraph 1 of the Luxembourg Companies Act. Such request will be made to the commercial judge of the district in which Zodiac HoldCo has its registered office, on an urgent basis. The relevant judge will dismiss the request if the creditor already holds adequate guarantees, or if such guarantees are not necessary given the assets of the post-

merger entity. Zodiac HoldCo can ensure this request is dismissed by satisfying the creditors, even if their claims have not yet fallen due.

3.3.3 Implications for employees

As set out in section 6.9.1 of the Terms of Merger, the Merger is not expected to have any direct impact on the employees of the entities participating in the Merger.

As set out in section 6.9.2 of the Terms of Merger, Zodiac HoldCo has no employee participation system. With respect to Fluidra, Spanish law currently does not establish any employee participation rights or consultation periods that may be applicable in the context of the Merger.

In light of the above, it is not necessary to carry out any consultation period or other negotiation procedure, nor is it necessary to take into account aspects relating to the participation rights of Fluidra employees in the context of the Merger.

As set out in section 6.9.3 of the Terms of Merger, the Merger is not expected to have any impact on the gender balance of the managing body of Fluidra. In the future decision processes regarding the composition of Fluidra's Board of Directors, the recommendations on gender diversity included in the Code of Good Governance for Listed Companies will be taken into account.

As set out in section 6.9.4 of the Terms of Merger, the merger is not expected to have a negative impact on the corporate social responsibility policy of Fluidra contained in its Code of Ethics - People Values and its Supplier Code of Ethics.

3.4 Legal procedure for the Merger

The main milestones of the legal procedure for the Merger are identified and explained below.

3.4.1 Investment agreement

On November 3, 2017, Fluidra, Zodiac HoldCo, Zodiac HoldCo Shareholder and the syndicated shareholders of Fluidra signed an investment agreement in which they agreed on the terms and conditions of the combination of the businesses of Fluidra and Zodiac HoldCo by means of the Merger.

3.4.2 Terms of Merger

On November 29 and 30, respectively, the Board of Directors of Fluidra and the management body of Zodiac HoldCo drafted, prepared and signed the common terms of merger relating to the Merger, in accordance with the provisions of articles 22 et seq. of the Spanish Structural Changes Act and articles 257 et seq. of the Luxembourg Companies Act.

3.4.3 Publication of the Terms of Merger

In accordance with article 32 of the Spanish Structural Changes Act, the Terms of Merger were published on the Fluidra corporate website (www.fluidra.com) on November 30, 2017, and available for downloading and printing, with such publication having been announced in Official Commercial Registry Gazette dated December 13, 2017 number 235.

Furthermore, in compliance with the obligations envisaged in article 262 of the Luxembourg Companies Act, the Terms of Merger were published in the Official Gazette of the Grand Duchy of Luxembourg on December 11, 2017.

3.4.4 Directors' report on the Terms of Merger

In accordance with article 33 of the Spanish Structural Changes Act, on the date hereof, the Board of Directors of Fluidra has approved and signed this report explaining and justifying in detail the legal and economic aspects of the Terms of Merger, with special reference to the share exchange ratio (including the methodologies used to determine it) and any special valuation difficulties that may exist, as well as the implications of the Merger for shareholders, creditors and employees.

In turn, it is envisaged that, in accordance with article 256 of the Luxembourg Companies Act, the managing body of Zodiac HoldCo will also approve and sign a report explaining and justifying in detail the legal and economic aspects of the Terms of Merger, with special reference to the share exchange ratio (including the methodologies used to determine it) and any special valuation difficulties that may exist, as well as the implications of the Merger for shareholders, creditors and employees.

3.4.5 Independent expert report

In accordance with article 34 of the Spanish Structural Changes Act and article 266 of the Luxembourg Companies Act, Auren Auditores, S.P., S.L.P., the independent expert appointed by the Barcelona Commercial Registry (corresponding to the registered office of the absorbing company), will issue the mandatory report on the Terms of Merger.

3.4.6 Approval of the Merger by the shareholders

The Merger will be subject to approval by the Shareholders' Meeting of Fluidra and by Zodiac HoldCo Shareholder.

For such purposes, the Board of Directors of Fluidra has resolved, on the date hereof, to call an Extraordinary Shareholders' Meeting to be held at first and only call on February 6, 2018 for the purposes of deliberating and, as the case may be, approving the planned Merger.

Pursuant to article 39 of the Spanish Structural Changes Act and the related articles of the Luxembourg Companies Act, prior to publication of the call notice for the Shareholders' Meeting of Fluidra that is to resolve on the Merger, the following documents relating to the Merger will be published on the corporate website of Fluidra (www.fluidra.com), and available for downloading and printing:

- (i) The Terms of Merger.
- (ii) This report.
- (iii) The report prepared by the managing body of Zodiac HoldCo on the Terms of Merger.
- (iv) The report by the independent expert appointed by the Barcelona Commercial Registry on the Terms of Merger.
- (v) The individual and consolidated financial statements and the directors' reports of Fluidra for the last three years (2014, 2015 and 2016), together with the corresponding audit reports.
- (vi) The individual financial statements for the sole closed year of Zodiac HoldCo, beginning November 22, 2016 and ended September 30, 2017.
- (vii) The merger balance sheet of Fluidra, corresponding to the half-yearly financial report of Fluidra closed on June 30, 2017, covering the first half of 2017.
- (viii) The merger balance sheet of Zodiac HoldCo, corresponding to its individual balance sheet as of September 30, 2017, which forms part of the annual financial statements for the year beginning November 22, 2016 and ended September 30, 2017.
- (ix) The current Bylaws of Fluidra and of Zodiac HoldCo.
- (x) The full text of the Bylaws of Fluidra, as absorbing company, that will apply once the Merger has been performed, which are attached as Exhibit 1 to the Terms of Merger.
- (xi) The identifying particulars of the directors of Fluidra and managers of Zodiac HoldCo and the dates on which they took office, and the same information in respect of the persons whose appointment to the Board of Directors of Fluidra will be proposed, as a result of the Merger.

In addition, the Shareholders' Agreement and the fifth novation of the syndication agreement of Fluidra's votes and shares executed on November 3, 2017 will be published on the corporate website of Fluidra (www.fluidra.com) and available for downloading.

3.4.7 Merger resolutions and publication of notices

In accordance with article 40 of the Spanish Structural Changes Act and article 263 of the Luxembourg Companies Act, the Merger must be approved by the Shareholders' Meeting of Fluidra and by the Zodiac HoldCo Shareholder, and must strictly adhere to the Terms of Merger.

Once the Merger resolution has been adopted, as the case may be, it will be published, in accordance with article 43 of the Spanish Structural Changes Act. The relevant notices will place on record the right of the shareholders and the creditors to obtain the full text of the adopted resolutions and of the merger balance sheets, as well as the right of objection of the creditors of each of the entities participating in the Merger.

Likewise, the notarized certificate established in accordance with article 273 paragraph 1 of the Luxembourg Companies Act will be published in the Official Gazette of the Grand Duchy of Luxembourg and the term of two months for the request by Zodiac HoldCo's creditors of guarantees for the payment of their claims will commence, as it is described in Section 3.3.2 of this report.

Section 3.3.2 of this report contains a description of the implications of the Merger for the creditors of each of the entities participating in the Merger.

3.4.8 Fulfilment of the Conditions Precedent

As set out in section 10 of the Terms of Merger and in section 3.3 of this report, the completion and effectiveness of the Merger is subject to fulfillment of the Conditions Precedent.

3.4.9 Execution and registration of the Merger Deed

Once the Merger has been approved by the Shareholders' Meeting of Fluidra and by Zodiac HoldCo Shareholder, the relevant notices have been published, the period for objection by creditors has expired on the terms indicated in sections 3.3.2 and 3.4.7 above, the Conditions Precedent have been fulfilled and all of the mandatory legal formalities have been performed under the applicable law, the relevant Merger Deed will be executed and submitted to the Commercial Registry corresponding to Fluidra's registered office and to the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés*).

3.4.10 Issue of shares and performance of the share exchange

Once the Merger deed has been registered at the Commercial Registry corresponding to Fluidra's registered office, the shares of Zodiac HoldCo will be exchanged for newly issued shares of Fluidra, on the terms established in the Terms of Merger and described in section 3.4.12 of this report.

3.4.11 Documentation for the admission to trading of the shares

The admission to trading of the new shares of Fluidra to be issued on the occasion of the Merger and delivered to Zodiac HoldCo Shareholder to cover the agreed exchange ratio will require the submission to the Spanish Stock Exchange Commission (“CNMV”) of a document containing information that is equivalent to that contained in a prospectus, taking into account the requirements of European Union legislation, in accordance with the provisions of articles 26.1.d) of Royal Decree 1310/2005, of November 4, 2005, which partially implements Securities Market Law 24/1998 of July 28, 1998, in relation to the admission of securities to trading in official secondary markets, initial or secondary public offerings and the prospectus required for such purpose.

This document will be duly available on the CNMV website (www.cnmv.es).

3.4.12 Share exchange procedure

The procedure for the exchange of Zodiac HoldCo’s shares for Fluidra shares is described in section 5.4 of the Terms of Merger.

The share exchange will be carried out in accordance with the procedures established in the applicable legislation and, in particular, in Royal Decree 878/2015, of October 2, and immediately after each and every one of the following milestones has taken place:

- (i) the approval of the merger by the Shareholders’ Meeting of Fluidra and by Zodiac HoldCo Shareholder;
- (ii) the fulfilment of the Conditions Precedent;
- (iii) the execution in the presence of a notary of the Merger deed and of the consequent capital increase at Fluidra; and
- (iv) the registration of the Merger deed at the Commercial Registry corresponding to Fluidra’s registered office.

A member entity of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Sociedad Unipersonal) (“IBERCLEAR”) will be appointed by Fluidra as an exchange agent in order for Zodiac HoldCo Shareholder to receive the 83,000,000 newly issued ordinary shares of Fluidra in accordance with the exchange ratio indicated in the Terms of Merger and in section 4.2 of this report.

Zodiac HoldCo Shareholder will evidence to the exchange agent that it owns the Zodiac HoldCo shares in the manner requested by the agent.

The delivery of Fluidra shares to Zodiac HoldCo Shareholder will take place by recording them in the securities account designated by Zodiac HoldCo Shareholder.

As a result of the Merger, Zodiac HoldCo's shares will be automatically cancelled.

3.4.13 Listing of the new shares

Fluidra will request the admission to trading of the new shares issued to cover the Merger exchange on the Barcelona and Madrid Stock Exchanges, through the Spanish Automated Quotation System (*Sistema de Interconexión Bursátil*) (Continuous Market), complying with all the legal formalities required for such purpose.

3.5 Board of Directors of Fluidra

On the date of registration of the Merger deed at the Commercial Registry corresponding to Fluidra's registered office, the Board of Directors of Fluidra will be composed of twelve directors, in accordance with the following: four independent directors, four directors proposed by the syndicated shareholders of Fluidra, jointly, and four directors proposed by Zodiac HoldCo Shareholder.

The Board of Directors of Fluidra will propose to the Shareholders' Meeting of Fluidra that is to resolve on the Merger, as part of the Merger resolutions, and at the proposal of and/or with a report by the Appointments and Compensation Committee of Fluidra, as applicable, the appointments, resignations and/or removals of directors necessary in order to implement the above-mentioned composition of the Board of Directors of Fluidra.

3.6 Remuneration policy

The Board of Directors of Fluidra will submit to a Shareholders' Meeting of Fluidra, which should take place after the approval of the Merger, for the approval of a directors' remuneration policy describing both the characteristics of the remuneration to be received by all of the directors and the basic terms of the compensation received by the executives of Zodiac HoldCo that will become directors of Fluidra from Zodiac HoldCo Shareholder as a result of the cancellation of the remuneration system granted to them prior to the Merger, to the extent that such compensation is related to their permanence at Fluidra.

3.7 Tax regime

As set out in section 8 of the Terms of Merger, Fluidra and Zodiac HoldCo understand that the Merger cannot be carried out under the tax regime established in Chapter VII of Title VII of Corporate Income Tax Law 27/2014, because it does not give rise to Spanish source income. In any event, both entities agree not to apply said regime.

For such purposes, and in compliance with the provisions of article 89 of the aforementioned Law, Fluidra will submit a document to the Spanish Tax Authorities stating the type of transaction that has been carried out and notifying

the decision not to apply the special tax regime established in Chapter VII of Title VII of the Corporate Income Tax Law 27/2014. This document will be submitted within three months of the date of registration of the Merger deed at the Commercial Registry corresponding to Fluidra's registered office.

4. ECONOMIC ASPECTS

4.1 Merger balance sheets and financial statements

For the purposes of article 36.3 of the Spanish Structural Changes Act, the half-yearly financial report of Fluidra closed on June 30, 2017, corresponding to the first half of 2017, will be considered the merger balance sheet of Fluidra.

In turn, in accordance with article 267 of the Luxembourg Companies Act, the individual balance sheet of Zodiac HoldCo as of September 30, 2017, will be considered the merger balance sheet of Zodiac HoldCo. This balance sheet is the individual balance sheet as of September 30, 2017, which is part of the individual annual accounts corresponding to the financial year started on November 22, 2016 and ended on September 30, 2017, approved by the managing body of Zodiac HoldCo and by Zodiac HoldCo Shareholder and made available to Zodiac HoldCo Shareholder at least one month in advance of the date on which Zodiac HoldCo Shareholder, in its capacity as sole shareholder of Zodiac HoldCo, resolves on the Merger and on the approval of said balance sheet, as part of the merger resolutions.

In accordance with article 31.10 of the Spanish Structural Changes Act and article 261(4)e of the Luxembourg Companies Act, it is placed on record that the terms and conditions on which the Merger is to take place have been determined considering the half-yearly financial report of Fluidra closed on June 30, 2017. It is hereby stated that Zodiac HoldCo had no historical financial statements that had been closed as of the date of the Terms of Merger since it was incorporated on November 22, 2016 and its first financial year started on November 22, 2016 and ended on September 30, 2017.

4.2 Exchange ratio

As set out in section 5.1 of the Terms of Merger, the proposed exchange ratio at which Zodiac HoldCo's shares will be exchanged for Fluidra shares will be as follows:

69.1666667 ordinary shares of Fluidra, with a face value of €1 each, for each ordinary share of Zodiac HoldCo, with a face value of €0.01 each, with no additional cash consideration.

As set out in section 5.1 of the Terms of Merger, the exchange ratio has been determined on the basis of the actual value of Fluidra and Zodiac HoldCo.

4.3 Justification of the exchange ratio

The exchange ratio has been determined on the basis of the actual value of Fluidra and Zodiac HoldCo.

To this end, the main valuation methods used to calculate the exchange ratio indicated in section 4 above of this report were the following: (i) discounted cash flow; (ii) relative contribution; (iii) trading comparables; (iv) precedent transactions.

Since the valuation methods previously mentioned lead to an enterprise value, to compute the real value of shareholders' equity in order to determine the exchange ratio, the estimated net financial debt at the valuation date has to be subtracted from the enterprise value. For that purpose, a normalized working capital reference has been assumed and computed, using last year's average to the June 2017 closing.

Fluidra's and Zodiac HoldCo's business projections, prepared by their respective management teams, have been taken into account in the valuation methods used, though Zodiac's HoldCo figures have been calendarized to the fiscal year ending on December 31 to make them comparable to those of Fluidra, given that Zodiac HoldCo's fiscal year ends on the September 30. Moreover, Zodiac HoldCo's figures have been converted from US dollars to euros at the exchange rate used by the management team of Zodiac HoldCo on its business projections.

4.3.1 Valuation methods used

The valuation methods used to determine the actual value of Fluidra and Zodiac HoldCo are detailed below.

(i) Discounted cash flow

This method reflects a dynamic conception of the company's activity and is based on the idea that the business value is determined by its capacity to generate cash flows in the future. In addition, this method reflects the business potential in the medium and long term.

This method has been based on the following estimates:

- Free cash flow estimates for each business. Free cash flows are a proxy to the business cash flow generation before financial income and expenses, after having applied the corporate tax and having considered capital expenditures ("*capex*") and working capital swings.
- Net present value of the forecasted free cash flow estimates applying a discount rate. The discount rate takes into consideration the implicit business risk as well as the time value of money.

- Businesses terminal value, assuming a perpetuity growth at the end of the free cash flow annual projection period. The previously mentioned discount rate is applied to the terminal value to obtain the present value.

The enterprise value can be estimated using the present value of the projected free cash flows and terminal value.

(ii) Relative contribution

An analysis has been carried out of the relative contribution of the two businesses as part of the justification of the exchange ratio.

In the relative contribution analysis, the following metrics have been considered: EBITDA, EBITA, EBITDA minus capex and operating cash flow

(iii) Trading comparables

In addition to the relative contribution method mentioned in section (ii), the trading comparables method has also been used for relative valuation.

The listed comparables for this analysis, based on their similarity to Fluidra and Zodiac HoldCo, have been Fluidra, Pentair Plc and Xylem Inc.

Once the companies with comparable businesses were identified, the trading multiple considered for this analysis was the enterprise value / EBITDA because it is commonly used and generally accepted in terms of valuation in the residential market of pool & wellness appliances for sustainable water use.

(iv) Precedent transactions

This method consists in estimating the value of Fluidra and Zodiac HoldCo, based on paid acquisition multiples in precedent transactions and in which it is additionally incorporated, the value granted to synergies in the transactions and the implicit control premium in acquisitions of majority or controlling stakes.

In addition to the strict valuation of financial results and business plans of Fluidra and Zodiac HoldCo, the value creation from the potential synergies resulting from the Merger must also be taken into account.

The application of the valuation methods previously described and considered jointly, lead to the conclusion that the agreed exchange ratio is within the resulting range after the application of the mentioned valuation methods.

4.3.2 Fairness opinions

Citigroup Global Markets Limited, engaged by Fluidra for these purposes, issued its fairness opinion for the Board of Directors of Fluidra on November 3, 2017, concluding that, at that date, and based on the elements, limitations and assumptions contained in such opinion, the proposed exchange ratio is fair from a financial standpoint for the shareholders of Fluidra.

Likewise, PricewaterhouseCoopers Asesores de Negocios, S.L., appointed by Fluidra for these purposes, issued its fairness opinion for the Board of Directors of Fluidra on November 3, 2017, concluding that, at that date, and based on the elements, limitations and assumptions contained in such opinion, the proposed exchange ratio is fair from a financial standpoint for the shareholders of Fluidra.

4.3.3 Report by the Audit Committee

Based on the conclusions from the application of the valuation methods and the considerations described in section 4.3.1 of this report and on the fairness opinions issued by Citigroup Global Markets Limited and PricewaterhouseCoopers Asesores de Negocios, S.L. indicated in the preceding section, the Fluidra Audit Committee, at the meeting held on November 3, 2017, issued a favorable report on the economic terms of the Merger and its accounting impact, in accordance with Recommendation 44 of the Code of Good Governance for Listed Companies.

4.4 Date of accounting effects

The date from which the transactions of the acquired company will be deemed performed for accounting purposes by the acquiring company will be that which results from applying the Spanish General Chart of Accounts approved by Royal Decree 1514/2007, of November 16, and, in particular, its rule 19.

SECTION II

ON THE PROPOSED AMENDMENTS TO THE BYLAWS OF FLUIDRA, S.A.

1. INTRODUCTION

The Board of Directors of Fluidra has prepared this report in order to comply with the provisions of articles 296 and 300 of the Spanish Companies Act in relation to the capital increase to be performed at Fluidra to cover the exchange of Zodiac HoldCo shares in line with the exchange ratio envisaged in the Terms of Merger and in order to comply with the provisions of article 286 thereof in relation to the proposed amendments to the Bylaws of Fluidra.

2. BYLAW AMENDMENTS

2.1 Capital increase

2.1.1 Justification of the proposal

Fluidra will cover the exchange of Zodiac HoldCo's shares, in accordance with the exchange ratio set out in the Terms of Merger, by issuing and placing into circulation 83,000,000 newly issued shares.

For these purposes, Fluidra will carry out a capital increase in the amount of €83,000,000 by issuing and placing into circulation 83,000,000 new ordinary shares with a face value of €1 each, of the same class and series as those already in existence, represented by book entries, the subscription of which will be entirely reserved to Zodiac HoldCo Shareholder, and with no preferred subscription rights in accordance with article 304.2 of the Spanish Companies Act.

Considering the total number of outstanding shares of Zodiac HoldCo as of the date of this report (i.e. 1,200,000 shares with a face value of €0.01 each, minus, if appropriate, Zodiac HoldCo's treasury shares, which will not be exchanged), the Board of Directors of Fluidra will propose to the Shareholders' Meeting that is to resolve on the Merger, as part of the Merger resolutions, the approval of a capital increase on the terms mentioned above.

This capital increase that is to be proposed to the Shareholders' Meeting by the Board of Directors of Fluidra is instrumental for the Merger that is also proposed, and forms an inseparable and indispensable part thereof.

The new shares of Fluidra will be issued at their face value of €1 each, with a share premium calculated in accordance with the provisions of the Terms of Merger, that is, the share premium will be considered as the difference between the fair value of the assets and liabilities received by Fluidra by virtue of the Merger and the face value of the new shares (the "**Share Premium**").

For such purposes, a proposal will be made to the Shareholders' Meeting of Fluidra that is to resolve on the Merger to delegate to the Board of Directors, with powers to sub-delegate and in accordance with the provisions of article 297.1 a) of the Spanish Companies Act, the authority to set the date on which the capital increase resolution should be implemented and to establish any terms and conditions of such increase which are not envisaged in this Merger resolution approved by the Shareholders' Meeting, including, in particular, without limitation, the power to determine the specific amount of the Share Premium, without prejudice to any premiums and reserves generated at the absorbing company for accounting purposes when the Merger is accounted for.

Both the face value of the new shares and the corresponding Share Premium will be fully paid-up as a result of the transfer en bloc, on consummation of the

Merger, of the assets and liabilities of Zodiac HoldCo to Fluidra, which will acquire all of the assets and liabilities and all of the rights and obligations of Zodiac HoldCo by universal succession.

Consequently, the share capital of Fluidra and the number of shares into which it is divided will be modified.

2.1.2 Full wording of the proposed bylaw amendment

The proposed bylaw amendment, if approved by the Shareholders' Meeting of Fluidra, will entail the amendment of article 5 of the Bylaws, which would be worded as follows:

“Article 5.- Capital and Shares

The share capital is ONE HUNDRED NINETY-FIVE MILLION SIX HUNDRED TWENTY-NINE THOUSAND AND SEVENTY EUROS (EUR 195,629,070.00). It is divided into ONE HUNDRED NINETY-FIVE MILLION SIX HUNDRED TWENTY-NINE THOUSAND AND SEVENTY (195,629,070) ordinary shares with a face value of one (1) Euro each. All shares have been fully subscribed and paid in and give their holders the same rights.”

2.1.3 Proposed resolution

The proposed resolution with respect to this item will be available as part of the documentation published on the Fluidra website for the call of the Shareholders' Meeting of Fluidra that is to resolve on the Merger.

2.2 Other bylaw amendments

2.2.1 Justification of the proposal

The Board of Directors will propose to the Shareholders' Meeting of Fluidra that is to resolve on the Merger the bylaw amendments described in section 6.10 of the Terms of Merger.

In accordance with article 31.8 of the Spanish Structural Changes Act and article 261(4)a of the Luxembourg Companies Act, the revised Bylaws of Fluidra as they will be worded following the registration of the Merger deed at the Commercial Registry corresponding to Fluidra's registered office were attached as Exhibit 1 to the Terms of Merger.

The proposed amendments to be made to the Bylaws of Fluidra, effective from, and subject to, the registration of the Merger deed at the Commercial Registry corresponding to the registered office of Fluidra, are as follows:

- a) The amendment of paragraph a) of article 2 relating to the corporate purpose.

The purpose of the proposed amendment to this article is to include “*automation and landscaping products*” within the corporate purpose and to ensure that the elements indicated in letter a) are also used for “*spas*” as well as swimming pools.

This amendment does not grant shareholders who voted against the resolution the right to withdraw envisaged in article 346.1.a) et seq. of the Spanish Companies Act, since it does not entail a material modification of the corporate purpose.

- b) The amendment of the second paragraph of article 3 in relation to the corporate domicile.

The purpose of the proposed amendment to this article is to bring it into line with the changes made to the Spanish Companies Act by Royal Decree-Law 15/2017, of October 6, 2017, on urgent measures for the mobility of economic operators within the national territory, enabling the Board of Directors to approve the transfer of the corporate domicile of Fluidra within the national territory.

- c) The amendment of article 33 in relation to the deliberation and adoption of resolutions by the Shareholders’ Meeting.

The purpose of the proposed amendment to this article is to bring it into line with the provisions of the Shareholders’ Agreement and of the Decision of the Directorate-General of Registries and the Notarial Profession of October 16, 2017.

The amendment consists of requiring the favorable vote of sixty-nine percent of the share capital of Fluidra at first call and sixty-six percent of the share capital of Fluidra at second call for the adoption of resolutions on the following matters:

- (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 Fluidra 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 Fluidra;
- (vi) the amendment of the number of members of the Board of Directors;
- (vii) de-listing of the Fluidra's shares from any securities markets;
- (viii) the amendment of the Fluidra's bylaws with respect to any of the above matters.

- d) The amendment of article 36 in relation to the composition of the Board of Directors.

The purpose of the proposed amendment to this article is to bring it into line with the provisions of the Shareholders' Agreement, which establishes that the Board of Directors of Fluidra will be composed of twelve members.

- e) The amendment of article 37 in relation to the duration of office and the Board statute.

The purpose of the proposed amendment to this article is to bring it into line with the provisions of the Shareholders' Agreement, which sets out specific non-competition rules for the parties to the agreement.

- f) The amendment of article 42 in relation to the conduct of Board meetings.

The purpose of the proposed amendment to this article is to bring it into line with the provisions of the Shareholders' Agreement regarding the following matters, for which it will be necessary for resolutions to be adopted by a qualified majority of directors:

- (i) the removal from office of the Secretary to the Board of Directors shall require that the decision is approved with the favourable vote of at least seven members of the Board of Directors;
- (ii) the removal from office of any member of the Senior Management shall require that the decision is approved with the favourable vote of at least seven members of the Board of Directors;
- (iii) the admission to listing of the shares of Fluidra on the stock exchange market "New York Stock Exchange" or on any other comparable listing venue shall require that the decision is approved with the favourable vote of at least seven members of the Board of Directors;

- (iv) the following matters shall require the favourable vote of at least nine members of the Board of Directors;
 - (a) the appointment and the removal from office of the Chairperson of the Board of Directors;
 - (b) the appointment and the removal from office of the Chief Executive Officer;
 - (c) the delegation of powers to an executive committee within the Board of Directors, as well as the appointment of any of its members;
 - (d) the appointment from office of the Secretary to the Board of Directors;
 - (e) the appointment of any members of Senior Management;
 - (f) any amendment to the list of positions comprised by Senior Management;
 - (g) Fluidra or any entity within its group incurring additional long-term indebtedness to the extent that such long-term indebtedness would cause the ratio of net long-term indebtedness to the consolidated adjusted EBITDA to exceed 3.0x; and
 - (h) the amendment of the number of members of the committees within the Board of Directors.
- g) The amendment of article 45 in relation to the delegate bodies of the Board.

The purpose of the proposed amendment to this article is to remove the following paragraph: *“In order to be valid, the delegation and designation of the members of the Board who are to occupy such posts shall require the favourable vote of two-thirds (2/3) of the members of the Board and shall not produce effect until they have been recorded in the Companies Register”* in order to bring this article into line with the changes made to article 42 (iv) letters (b) and (c) of the Fluidra Bylaws.

2.2.2 Full wording of the proposed bylaw amendments

The proposed bylaw amendments, if approved by the Shareholders’ Meeting of Fluidra, will entail the amendment of the Bylaw articles indicated in section 2.2.1 above, which would be worded as follows:

“Article 2.- Corporate Purpose

The Company’s corporate purpose is:

- a) The manufacture, sale and distribution of any type of machinery, equipment, components and parts of machinery, instruments, automation and landscaping products, accessories and specific products for swimming pools and spas, irrigation and water treatment and purification in general, made of metal materials and with any type of plastic and its processed products.*
- b) Trade, both domestic and foreign, in all types of merchandise and products, directly or indirectly related to paragraph a).*
- c) Representation of commercial and industrial firms and businesses involved in manufacturing the products listed in paragraph a) of the present article, both domestic and foreign.*
- d) Capital investment in all types of businesses and companies by purchase and subscription by any legal means, holding, management and administration of all kinds of securities, expressly excluding activities reserved to collective investment institutions and operations under the Securities Market Act.*
- e) Consulting, managing and administering companies and businesses in which the Company holds stock.*
- f) Any activity requiring a prior express administrative authorisation is excluded from the Company’s corporate purpose.”*

“Article 3.- Corporate Domicile

The corporate domicile is set at Avenida Francesc Macià, number 60, 20th floor, in Sabadell, which will be the centre of the Company’s actual administration and management.

The Board of Directors may transfer the corporate domicile within the same national territory, and establish, eliminate or transfer manufacturing, commercial, administrative or storage facilities, agencies, representative offices, delegations or branches anywhere within Spain and abroad.”

“Article 33.- Deliberation and adoption of resolutions

The President shall submit for deliberation the matters included on the agenda and shall lead discussions so that the meeting proceeds smoothly. For this purpose he shall enjoy appropriate authority to establish order and discipline and may order the ejection of anyone disturbing the Meeting’s normal progress and decide to temporarily suspend the session. The President, even when present

at the session, may entrust guidance of the discussions to the Secretary or to the member of the Board of Directors that he deems appropriate.

Shareholders may request information under the conditions established at article 30 above.

Any shareholder may also participate at least once in the discussion of the items on the agenda, although the President, using his powers, is authorised to adopt measures for order such as limiting the time allotted to each speaker, setting turns, or closing off the list of speakers.

Once the matter has been sufficiently discussed, the President puts it to the vote.

The President is responsible for setting the voting system he deems most appropriate and for directing the corresponding process, adapting if appropriate to the expanded rules set forth in the General Meeting's Rules and Regulations.

Each voting share present or represented at the General Meeting shall be entitled to one vote. The shareholder entitled to vote may exercise his right by post in compliance with the provisions of the General Meeting's Rules and Regulations.

The Meeting's decisions shall be taken by the favourable vote of a simple majority of the votes of the shareholders present or represented at the Meeting, and a resolution shall be deemed adopted where it obtains more votes for than against of the capital present or represented. This is without prejudice to those cases in which the law or the present articles of association stipulate a greater majority. In particular, for the adoption of the resolutions referred to in article 194 of the Corporate Enterprises 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 favourable vote of two-thirds of the share capital present or represented 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.”*

“Article 36.- Composition of the Board of Directors

The Board of Directors shall be composed of twelve (12) members.

The General Meeting must ensure that, to the extent possible, the number of outside or non-executive members on the Board is a substantial majority with respect to the number of executive members. The number of executive members must likewise be the minimum necessary, taking into account the complexity of the group and the percentage of the executive members’ participation in the Company’s capital. Finally, the Meeting must ensure that the number of independent members represents at least one-third (1/3) of the total number of members.

The definitions of the various categories of members shall be those set forth in the Corporate Enterprises Law.

In the event that there is some outside member who cannot be considered to represent substantial shareholders or to be independent, the Company shall explain this circumstance and its connections with the Company or its executives and with its shareholders.

The nature of each member must be explained by the Board before the General Meeting of shareholders that is to appoint them or ratify their appointment.”

“Article 37.- Duration of office. Board Statute

Board members shall hold their office for the period of time established by the General Meeting, may not exceed four years, at the end of which they may be re-elected one or more times for periods of the same maximum duration.

In particular, the Shareholders' Meeting may appoint independent directors for a period equal to the time remaining until the status of independent is forfeited, in accordance with section 4 of the article 529 duodecies, of the Corporate Enterprises Law, even if that period is shorter than that of the rest of directors, as long as the maximum term of four years is observed.

Appointments of directors shall expire when, upon completion of the term, the next General meeting is held or the legal term has passed for holding the Meeting that is to approve the accounts for the preceding year.

Members appointed by co-option (who shall be designated so long as the vacancy occurs during the term for which the director was appointed) must have the appointment ratified at the first General Meeting held after the date of appointment.

Board members may not engage, for their own account or for the account of a third party in any activity that involves effective competition, whether actual or potential, with the Company or that in any other way place it in permanent conflict with the interests of the Company, with the exception of offices they may hold, as the case may be, in companies of the Group, unless expressly authorised by the General Meeting, and without prejudice to the provisions of articles 227 to 230 of the Companies Law."

"Article 42.- Conduct of meetings

The Board shall be validly constituted when the majority of its members, present or represented, participate in the meeting. Representation shall be conferred in writing and must be in favour of another Board member, especially for each meeting, by letter addressed to the Chairman.

Decisions shall be taken by an absolute majority of those attending the meeting, except in those cases in which the law, the present articles of association or the Board of Directors' Rules and Regulations have set larger majorities. In the event of a tie, the Chairman's vote shall decide. Particularly, for the adoption of any decision in respect of the following matters, the majorities indicated below shall be required:

- (i) the removal from office of the Secretary to the Board of Directors shall require that the decision is approved with the favourable vote of at least seven (7) members of the Board of Directors;*
- (ii) the removal from office of any member of the Senior Management shall require that the decision is approved with the favourable vote of at least seven (7) members of the Board of Directors;*
- (iii) the admission to listing of the shares of the Company on the stock exchange market "New York Stock Exchange" or on any other comparable listing venue shall require that the decision is approved with*

the favourable vote of at least seven (7) members of the Board of Directors;

- (iv) the following matters shall require the favourable vote of at least nine (9) members of the Board of Directors;*
 - (a) the appointment and the removal from office of the Chairperson of the Board of Directors;*
 - (b) the appointment and the removal from office of the Chief Executive Officer;*
 - (c) the delegation of powers to an executive committee within the Board of Directors, as well as the appointment of any of its members;*
 - (d) the appointment from office of the Secretary to the Board of Directors;*
 - (e) the appointment of any members of Senior Management;*
 - (f) any amendment to the list of positions comprised by Senior Management;*
 - (g) the Company or any entity within its group incurring additional long-term indebtedness to the extent that such long-term indebtedness would cause the ratio of net long-term indebtedness to the consolidated adjusted EBITDA to exceed 3.0x; and*
 - (h) the amendment of the number of members of the committees within the Board of Directors.*

In case of a tie vote, Chairman does not have casting vote.

Minutes shall be kept of the meetings of the Board of Directors, shall be prepared either in English and Spanish, and shall be signed at least by the Chairman or the Vice-Chairman and the Secretary or the Deputy Secretary, and shall be transcribed or collected according to law in a special book of Board minutes.

The minutes shall be approved by the Board of Directors itself, at the end of the meeting or subsequently.”

“Article 45.- Delegate bodies of the Board

The Board of Directors may designate within it an Executive Committee and one or more Executive Directors, without prejudice to any delegations of authority it may confer on any person; it may delegate to them, in whole or in part, temporarily or permanently, all powers that may be delegated according to law.

The Board may also establish other committees with consultative or advisory functions, and, on an exceptional basis, may attribute certain decision-making authorities to them.

In any case, the Board must establish an Audit Committee and an Appointments and Remuneration Committee, with powers to inform, oversee, advise and propose in matters for which it is responsible, which are explained in the Board of Directors' Rules and Regulations. In addition, the Board of Directors' Regulations shall establish the composition and functioning of both delegated bodies."

The Bylaws of Fluidra as they will be worded following the registration of the Merger deed at the commercial registry corresponding to Fluidra's registered office, in accordance with the amendments indicated in Section II of this report, are attached as Exhibit 1 to the Terms of Merger.

2.2.3 Proposed resolutions

The proposed resolutions with respect to this item will be available as part of the documentation published on the Fluidra website for the call of the Shareholders' Meeting of Fluidra that is to resolve on the Merger.

SECTION III

CONCLUSIONS

On the basis of all of the foregoing, the directors of Fluidra consider that the Merger and its terms, as reflected in the Terms of Merger, and the resolutions to be proposed to the Shareholders' Meeting that is to deliberate and decide on the Merger, are beneficial to the shareholders of Fluidra and that the exchange ratio proposed in the Terms of Merger is justified, is based on reasonable and adequate valuation methods and is fair from a financial standpoint for the shareholders of Fluidra, as has been corroborated by the financial advisers of Fluidra that have participated in the Merger.

* * *

In Sabadell, on December 18, 2017.

I, Albert Collado Armengol, in my capacity as non-director secretary of the Board of Directors of Fluidra, S.A. (“**Fluidra**”)

HEREBY STATE THAT

the Board of Directors of Fluidra was agreed to call the Extraordinary Shareholders’ Meeting for the purposes of deliberating and, as the case may be, approving the cross-border merger by absorption of Piscine Luxembourg Holdings 2 S.à r.l. (“**Zodiac HoldCo**”) by Fluidra to be held at first and only call on February 20, 2018 (initially foreseen on February 6, 2018) and, therefore, the reference to February 6, 2018 made on section 3.4.6 of the report of the Board of Directors of Fluidra dated December 18, 2017 on the common terms of the merger between Fluidra and Zodiac HoldCo and the proposed amendments to the Bylaws of Fluidra shall be understood made to February 20, 2018.

In Sabadell, on January 17, 2018.