



## ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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### ISSUER IDENTIFICATION

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YEAR END DATE:

[ 12/31/2018 ]

CIF:

[ A-17728593 ]

Company Name:

[ **FLUIDRA, S.A.** ]

Registered Office:

[ AVENIDA FRANCESC MACIA, 60 PLANTA 20 BARCELONA ]

## **A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR**

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- A.1.** Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

The specific determinations for the year in progress should be described, both the remuneration of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting.

At any event, the following aspects should be reported:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

### 1. The directors' remuneration policy in force for the current fiscal year

On May 3, 2016, the shareholders' meeting (the "Shareholders' Meeting") of FLUIDRA, S.A. ("Fluidra" or the "Company") approved the Company's remuneration policy for fiscal years 2016 through 2019 inclusive.

On February 20, 2018, the Fluidra Shareholders' Meeting approved the cross-border merger by absorption of Piscine Luxembourg Holdings 2 S.à.r.l., head company of the Zodiac group, by Fluidra, through the dissolution without liquidation of the absorbed company and the global transfer of all its assets and liabilities to the absorbing company (the "Merger"). The same Shareholders' Meeting resolved that as from the date of registration of the Merger deed at the commercial registry, which took place on July 2, 2018, the board of directors (the "Board" or the "Board of Directors") of Fluidra would be made up of twelve directors: four independent directors, four directors proposed by the syndicated shareholders of Fluidra, jointly, and four directors proposed by Piscine Luxembourg Holdings 1, S.à.r.l., sole shareholder of the absorbed company.

The change to the composition of the Board of Directors made it necessary to adapt the remuneration policy in respect of the board, with effect as from the effective date of the change.

The Shareholders' Meeting held on June 27, 2018 approved, upon a proposal by the Board of Directors, - with the affirmative vote of 98.1338% of the final quorum of the Shareholders' Meeting (99.9997% of the final quorum without taking into account the non-voting treasury stock shares) - the remuneration policy for the directors of Fluidra currently in force, applicable as from the registration date of the Merger through to the year 2021 inclusive (the "Remuneration Policy").

At the same time as it approved the Remuneration Policy, the Shareholders' Meeting, upon a proposal by the Board, approved:

i) an increase in the maximum remuneration per annum payable to the directors, which went from 1,200,000 euros up to 1,600,000 euros, effective as from the registration date of the Merger. This increase was justified by the increase in the number of members of the Board of Directors following the Merger and the increase in the size and complexity of the Fluidra group, and it was approved with the affirmative vote of 99.997% of the voting quorum; and

ii) a long-term incentive plan called the "Performance Share Plan 2018 – 2022" ("Plan 2018-2022") for the key executives and executive directors of Fluidra, which was approved with the affirmative vote of 99.9% of the voting quorum.

The aim behind the Remuneration Policy is to ensure that directors' remuneration is in reasonable proportion to the importance of the Company, its economic position and market standards among comparable companies. The aim of the remuneration system established is to promote the sustainable creation of value over the long term, linking the remuneration of directors to the return received by, and interests of, the shareholders, including the necessary safeguards to avoid excessive risk-taking and the rewarding of poor results.

Additionally, Fluidra takes into account the economic environment, the Company's results, the strategy of the Fluidra group, best market practices and Corporate Governance recommendations in relation to remuneration.

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

-The remuneration policy must strive to ensure that remuneration is moderate and consistent with trends and references regarding remuneration adopted in the market by companies which are comparable in terms of structure and overall size, and it should take into account the Company's strategic approach and the situation in the territories in which it operates.

-The remuneration policy must be geared towards incentivizing actions which ensure the generation of value in the long-term and the sustainability of results over time, in line with the shareholders' interests.

- The remuneration policy must seek to reward quality, dedication, responsibility, business knowledge and commitment to the Company.
- Remuneration must take internal equity into consideration.
- The rules on the management of remuneration must be explicit, known by the directors, and drafted in a clear and concise manner.
- The Company must comply in any case with the reporting obligations related to the remuneration of directors established in the Capital Companies Law ("LSC"), as well as any other applicable legislation.

Continues in Section D

- Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, state the actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt this to the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures to guarantee that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company and measures to avoid conflict of interest, as the case may be.

Furthermore, state whether the company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and consolidated financial instruments, or if any clause exists reducing the deferred remuneration or that obliges the director to return remuneration received, when such remuneration has been based on certain figures that have clearly been shown to be inaccurate has been agreed.

#### 6. Relative importance of variable vs. fixed remuneration items (remuneration mix)

According to the Remuneration Policy, only the Executive Directors receive short- or long-term variable remuneration. This is in compliance with CNMV recommendation no. 57, according to which variable remuneration linked to the company's performance and personal performance, and that consisting of the award of shares, options or rights over shares or instruments linked to share value, must be confined to Executive Directors.

The remuneration system reflects a balanced and efficient relationship between fixed components and variable annual or multi-year components, in such a way that the fixed component accounts for a sufficiently large part of the total remuneration.

Variable remuneration is 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 remuneration threatening the Company's ability to maintain its solvency and financial situation.

The Remuneration Policy seeks to promote and favor 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 remuneration in line with best practices.

The annual variable remuneration, prior to weighting based on the achievement scale, may not exceed 100% of fixed remuneration in respect of executive functions. The achievement scale for economic objectives ranges from 40% of the incentive up to a maximum of 200% in the event of attaining or exceeding the maximum values established for each indicator.

The setting of the percentage represented by annual variable remuneration in relation to fixed remuneration for executive functions, the indicators, and the evaluation of performance shall be determined annually by the board of directors, upon a proposal by the ACC, which shall subsequently determine the levels of achievement.

To be entitled to receive the full amount of annual variable remuneration, the Executive Director must continue in his relationship with Fluidra as at December 31 of the year in which such remuneration is to accrue. In the event of termination of their relationship with Fluidra prior to that date, they shall receive the proportional part of the variable remuneration to which they would have been entitled in the event of continuing through to December 31 which corresponds to the part of the year for which they have remained with Fluidra.

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

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

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

The LTI in force on the date of approval of this Report, i.e., Plan 2018-2022, approved by the Shareholders' Meeting in 2018, and the main characteristics of which are detailed in subsection 7 of section A.1 of this Report, has been structured through a certain number of units that serve as a reference for determining the final number of shares in the Company to be delivered to the Plan beneficiaries. The number of units has been determined by applying a ratio to the result of dividing the beneficiary's gross annual fixed salary by the price of the Fluidra share considered in the Merger. The multiple is 4.5 in the case of Mr. Bruce Brooks and 4 in the case of Mr. Eloy Planes.

The conditions established in the LTI, in accordance with the Corporate Governance recommendations in this area, must include the following:

- The incentive to be settled shall take into account any qualifications in the external auditor's report that reduce the Company's earnings.
- The settlement of the LTI shall be deferred for the minimum period of time necessary in order to verify that the pre-established conditions to which it is linked have indeed been met.
- The LTIP shall include a clause which enables the Company to claim a reimbursement when the payment made did not conform to its terms,

or when the payment was made on the basis of data which subsequently prove to be inaccurate.

-In the event of the LTIP being settled in Fluidra shares, once they have been awarded and until three years have elapsed as from their acquisition, the Executive Directors shall be banned from transferring a number of shares equivalent to twice their annual fixed remuneration. 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.

Continues in Section D.1

- Amount and nature of fixed components that are due to be accrued during the year by directors in their status as such.

For 2019, the maximum amount of remuneration payable to the directors overall, in their capacities as such, has been set at 1,600,000 euros, which is the figure approved by the Shareholders' Meeting in 2018 and which will remain in force until, where appropriate, a new amount is approved.

The aforementioned amount is, in any case, a maximum limit, and it falls to the Board to propose how that amount will be distributed amongst the different remuneration components and amongst the directors, in the form, at the time and in the proportions freely determined by the Board in light of the functions and responsibilities attributed to each one, their membership of and positions held on the Board Committees, and any other objective circumstances which may be deemed relevant.

Of that amount, the breakdown of the fixed remuneration per position and responsibilities of the members of the Board which is expected to accrue during fiscal year 2019 is as follows:

82,000 euros per annum for each member of the Board of Directors.

For the responsibility and dedication required of members of the various Committees and that involved in the Presidency and coordination of the Board:

An additional 15,000 euros per annum for each member of the ACC, except for 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 Delegated Committee, except for the Committee chairman, who will receive an additional 16,000 euros.

An additional 36,000 euros per annum for the President of the Board of Directors.

An additional 15,000 euros per annum for the coordinator of the Board of Directors

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

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

- Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

For 2019, the fixed remuneration in cash payable to the Executive Directors is as follows:

Mr. Eloy Planes 370,000 euros per annum

Mr. Bruce Brooks 518,000 euros per annum

In addition, Mr. Bruce Brooks shall receive tax and legal advice in relation to his expatriation amounting to 15,000 euros, and he shall be paid an amount of 84,000 euros by way of expatriation bonus, to compensate for the housing and travel expenses incurred as a result of his transfer to Spain from the US, where he had been providing his services to the Zodiac group.

Part of the remuneration corresponding to Mr. Bruce Brooks is paid by another company of the Fluidra Group.

- Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

The Executive Directors receive the following remuneration in kind:

In accordance with the Fluidra policy for executive personnel, the Company makes available to its Executive Directors an AUDI A-6 car, or equivalent vehicle, at an estimated cost for 2019 of 9,600 euros per director.

The Company assumes the cost of a life insurance policy covering the Executive Directors against the contingencies of death and disability. At the date of issue of this Report, it is estimated that the annual premium for 2019 amounts to 13,928.22 euros in the case of Mr. Eloy Planes and 20,133 euros in the case of Mr. Bruce Brooks.

Fluidra assumes the cost of a family medical insurance policy, for which the annual premium for 2019 is estimated at 5,418 euros in the case of Mr. Eloy Planes and 21,550 euros in the case of Mr. Bruce Brooks.

Part of the remuneration corresponding to Mr. Bruce Brooks is paid by another company of the Fluidra Group.

- Amount and nature of variable components, differentiating between those established in the short and long term. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

All the aspects related to the variable components of the remuneration of the Executive Directors are explained in detail in subsections 6, 7 and 8 of section A.1 of this Report.

- Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are consolidated for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director.

State if the accrual or consolidation of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

The pension comments assumed vis-à-vis the Executive Directors are as follows:

**Mr. Eloy Planes**

Fluidra has assumed vis-à-vis Mr. Eloy Planes a defined-contribution pension commitment entailing the setting up of a retirement pension fund through annual contributions made by the Company amounting to 16,000 euros. He has vested rights. This commitment is compatible with the severance to which he is entitled in the event of termination or early removal in the terms envisaged and described in subsection 14 of section A.1 of this Report.

**Mr. Bruce Brooks**

Mr. Bruce Brooks is an active participant in the 401 (k) pension plan maintained by Fluidra's US subsidiary. The cost of the plan for the Fluidra group in 2018 was 4,980.89 euros. If, at any time, Mr. Bruce Brooks is unable to participate in that pension plan, the Company shall finance - or arrange for its US subsidiary to finance - a defined contribution pension fund, making annual contributions of 16,000 euros. Fluidra reserves the right to finance these pension commitments using whatever instrument it considers most suitable pursuant to the currently applicable legislation.

This commitment is compatible with the severance to which he is entitled in the event of termination or early removal in the terms envisaged and described in section A.1 of this Report.

- Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.

The non-executive directors are not entitled to indemnities for termination of their functions as director.

The contracts of the Executive Directors envisage the following severance payments in the event of termination of the provision of services agreement signed by the Company and the director.

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:

Mr. Eloy Planes: an amount equivalent to twice his annual remuneration, 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.

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

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

Serious breach by the Company of any of the contractual obligations related to their position.

Reduction and substantial limitation of their duties or powers.

Substantial modification of their contractual conditions.

Change of ownership of Fluidra's share capital with or without changing the Company's governing bodies.

Exclusivity and confidentiality

The contracts of the Executive Directors establish clauses regulating confidentiality and exclusive dedication, this being without prejudice to any activities which have been expressly authorized by the Company, 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.

Such exclusivity clause does not entitle the Executive Directors to any specific remuneration.

Post-contractual non-compete and non-solicitation undertaking

Notwithstanding the Executive Directors' undertaking not to compete with the Company while the contracts are in force, the following is established:

Mr. Eloy Planes: a post-contractual non-competition agreement 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 is two times his gross annual fixed remuneration in force at the time of termination of the contract.

Mr. Bruce Brooks: a post-contractual non-solicitation agreement with a duration of two years from the conclusion of the effective provision of services. The economic compensation derived from the post-contractual non-solicitation undertaking is included in the amount of remuneration established for him.

- State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, permanence and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

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. Set out below are the essential terms and conditions of the contracts of Executive Directors which have been approved in accordance with the provisions of articles 249 and 529 octodecies of the LSC.

Term

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.

Continued employment

The Executive Directors' contracts do not include any continuity or loyalty clauses.

### 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 remuneration pending payment during the period not complied with.

### Severance pay for termination of the contract

Details of the severance payable for termination of the contract are provided in subsection 14 of Section A.1 of this Report.

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

Details of the post-contractual non-competition and non-solicitation undertaking are provided in subsection 15 of Section A.1 of this Report.

In addition, the contract signed with Mr. Bruce Brooks specifies that any remuneration (including remuneration in cash and in kind and payments for termination of contract, if any) paid by a US subsidiary of the Fluidra group will reduce the amount of the remuneration to be paid by Fluidra stipulated in the contract signed by him with the Company.

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

- The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

The Remuneration Policy does not envisage any remuneration corresponding to the directors which has not been mentioned in the previous subsections.

- Other remunerative items or by-products, as the case may be, of the company granting the director advance payments, loans, guarantees or any other remuneration.

The Directors' Remuneration Policy does not envisage the possibility of providing advances, loans and guarantees to the directors.

- The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that are not included in the previous sections, whether payment is satisfied by the company or another group company.

No remuneration payable by Group entities to any of the members of the Board is envisaged for the current fiscal year that has not been included in the preceding sections.

### A.2. Explain any significant change in the remuneration policy applicable in the current year resulting from:

- A new policy or a modification of the policy already approved by the General Meeting.
- Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
- Proposals that the board of directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and which are proposed to be applicable to the current year.

For the current year, the Remuneration Policy applied shall be that approved by the Shareholders' Meeting on June 27, 2018, with no relevant change being envisaged during this year.

### A.3. Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.

<https://www.fluidra.com/es/accionistas/remuneraciones-de-los-consejeros>

- A.4.** Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on remuneration for the previous year.

The resolution received the favorable vote of 99.927% of the voting quorum, in the terms stated in section B.4 of this Report.

According to the information provided in the CNMV's Report, at the general shareholders' meetings held in 2018 in listed companies that do not belong to Ibex 35, a favorable vote of over 95% was reached on the annual reports on directors' remuneration at 44% of these entities, as compared to the 99.927% of the quorum with voting rights reached by the Company. Similarly, the Remuneration Policy was approved with the affirmative vote of 99.9997% of the quorum with voting rights. In light of the foregoing, the Company shall continue to apply, in 2019, the same remuneration policy as in the previous year.

**B. OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED**

- B.1.** Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and, as the case may be, the identity and the role of the external advisors whose services have been used in the process to apply the remuneration policy in the year ended.

The individual remuneration of the directors of Fluidra accrued in fiscal year 2018 that is reflected in section C of this Report has been determined in accordance with the principles and criteria of the Company's directors' remuneration policy in force in 2018.

In this regard, as mentioned in section A.1 above, until the date of registration of the Merger on the Companies Register, that is, until July 2, 2018, the Company applied the remuneration policy approved by the Shareholders' Meeting on May 3, 2016. As from July 2, 2018, the Company has applied the Remuneration Policy approved by the Shareholders' Meeting on June 27, 2018.

The procedures, matters and decisions adopted by the ACC and the Board of Directors, according to the powers described in subsection 3 of section A.1 of this Report, are the following:

Evaluation of the Board of Directors and its Committees and monitoring of the action plan derived from the self-evaluation of the Board.

Plan 2015-2018: Approval of the general conditions of Plan 2015-2018 and assignment of the PSUs to the management team.

Approval of the contract of the Chief Executive Officer, Mr. Bruce Brooks.

Approval of the modification of the contract of the Executive President, Mr. Eloy Planes.

Benchmark of the functioning of the executive committees of the Board and of the remuneration of their members.

Proposal of the Annual Report on Directors' Remuneration for 2017, to be submitted to a vote by the Shareholders' Meeting on an advisory basis.

Evaluation of the degree of achievement of the AVR metrics for 2017 corresponding to the Executive Directors and the management team of Fluidra to be settled in 2018.

Proposal of appointment of directors, for approval by the Shareholders' Meeting.

Proposal of a new Remuneration Policy following the Merger, for its approval by the Shareholders' Meeting.

Approval of the remuneration for 2018 of the management team of Fluidra.

Selection of candidates for appointment as independent directors by the Shareholders' Meeting, following expiry of the terms of office of two of them after twelve years in the post and the resulting loss of independent status.

Corporate social responsibility strategy of Fluidra.

AVR for 2018 of the Executive Directors and managing team of Fluidra: determination of the metrics, establishment of the threshold to be entitled to receive the AVR and the payout scale.

AVR for 2019 of the Executive Directors and managing team of Fluidra; preliminary work to determine metrics, establishment of the threshold to be entitled to receive the AVR and the payout scale.

The ACC has received advice on remuneration from Willis Tower Watson, Georgeson, S.R.L. and J&A Garrigues, S.L.P.

- B.2.** Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been attained between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if appropriate.

The different actions taken by the Company in relation to the remuneration plan and how they have contributed to reducing exposure to excessive risk and adjusting it to the Company's long-term objectives, values and interests, are described in subsection 8 of Section A.1 of this Report.



**B.3.** Explain how the remuneration accrued over the year meets the provisions contained in the current remuneration policy.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors and how the latter contribute to the short- and long-term results of the company.

Section C of this Report includes the breakdown of the remuneration accrued in 2018, for all items, in favor of the directors of Fluidra, pursuant to the remuneration policies in force in the year with respect to remuneration items and amounts.

The relationship between the remuneration obtained by the Executive Directors and Fluidra's results and the explanations of how variations in the Company's return may have impacted variations in the remuneration of the Executive Directors are included in subsection 8 of section A.1 of this Report.

**B.4.** Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes against that may have been cast:

	Number	% of total
Votes cast	87,675,611	98.13

  

	Number	% cast
Votes against	63,799	0.07
Votes in favour	87,611,812	98.06
Abstentions		0.00

**Remarks**

The difference, amounting to 1,667,35 (1.8659%) between the definitive quorum of the Shareholders' Meeting (89,342,646) and the votes cast (87,675,611) relates to treasury stock without voting rights.

The favorable votes computed out of the quorum with voting rights amount to 99.927%.

**B.5.** Explain how the fixed components accrued during the year by the directors in their capacity as such have been determined and how they have changed with respect to the previous year

As mentioned in section A.1 of this Report, in 2018, as a result of the Merger, the Shareholders' Meeting approved a new directors' remuneration policy that took effect on the date of registration of the Merger on the Companies Register, and increased to 1,600,000 euros the amount of the maximum annual remuneration of the directors for their functions as such, due to the increase in the number of members forming the Board of Directors after the merger and to the new size and complexity of the Fluidra group.

The remuneration items accrued in 2018 in fixed salary, per diem allowance and total in favor of the directors in their capacity as such are the following:

Eloy Planes 114,000 8,000 122,000  
 Bruce Brooks 41,000 4,000 45,000  
 Oscar Serra 90,000 8,000 98,000  
 Jose Manuel Vargas 48,500 4,000 52,500  
 Bernat Corbera 91,500 8,000 99,500  
 ANIOL 43,222 3,778 47,000  
 PIUMOC Inversions 48,278 4,222 52,500  
 Sébastien Mazella di Bosco 54,500 4,000 58,500  
 Steven Langman 41,000 3,333 44,333  
 Gabriel Lopez 106,667 8,000 114,666.67  
 Jordi Constans 108,000 8,000 116,000  
 Richard Cathcart 91,500 16,167 107,667  
 Juan Ignacio Acha 92,333 6,667 99,000  
 DISPUR 38,000 4,000 42,000  
 BIDSÀ 0 0 0  
 Total (€) 1,009,000 90,167 1,099,167

The remuneration items accrued in 2017 in fixed salary, per diem allowance and total in favor of the directors in their capacity as such are the following:

Eloy Planes 110,000 8,000 118,000  
 Bruce Brooks 0 0 0  
 Oscar Serra 86,000 8,000 94,000  
 Jose Manuel Vargas 0 0 0  
 Bernat Corbera 86,000 8,000 94,000  
 ANIOL 86,000 8,000 94,000  
 PIUMOC Inversions  
 Sébastien Mazella di Bosco 0 0 0  
 Steven Langman 0 0 0  
 Gabriel Lopez 98,000 8,000 106,000  
 Jordi Constans 88,000 8,000 96,000  
 Richard Cathcart 88,000 18,500 106,500  
 Juan Ignacio Acha 86,000 8,000 94,000  
 DISPUR 76,000 8,000 84,000  
 BIDSÀ 57,333 4,667 62,000  
 Total (€) 861,333 87,168 948,500

According to the above, the total amount of fixed remuneration accrued in favor of the directors in their capacity as such in 2018 amounts to 1,099,167 euros, which implies an increase of 150,667 euros over what was received in fiscal year 2017, that is, 15.88%, due mainly to the increase in the number of directors after the Merger, and to the creation of the executive committee.

**B.6. Explain how the salaries accrued by each one of the executive directors over the past financial year for the performance of management duties were determined, and how they have changed with respect to the previous year**

The fixed remuneration in cash accrued in 2018 in favor of the Executive Directors, in addition to that received for their status as directors, is the following:

Mr. Eloy Planes

In accordance with the Remuneration Policy, in 2018, Mr. Eloy Planes received fixed remuneration of 360,000 euros whereas in 2017 he received 260,100 euros for his executive functions.

The increase in the fixed remuneration of Mr. Eloy Planes in 2018 with respect to 2017 is due to the adaptation thereof to market conditions, in view of the new structure, size and complexity of the Fluidra group after the Merger, as a result of benchmark studies commissioned by Fluidra to the Seeliger and Conde and Willis Towers Watson.

Mr. Bruce Brooks

In accordance with the Remuneration Policy, in 2018, Mr. Bruce Brooks, chief executive officer since July 2, 2018, received fixed remuneration of 265,981.74 euros for his executive functions, which is the proportional amount of the fixed remuneration included in the Remuneration Policy corresponding to the period of provision of his services at Fluidra in 2018.

Moreover, he received 45,000 euros as relocation bonus and 30,000 as expatriation bonus.

Some of Mr. Bruce Brooks' remuneration has been paid by another Fluidra Group company.

**B.7.** Explain the nature and the main characteristics of the variable components of the remuneration systems accrued in the year ended.

In particular:

- Identify each one of the remuneration plans that have determined the different types of variable remuneration accrued by each of the directors in the year ended, including information on their scope, their date of approval, their date of incorporation, the periods of accrual and validity, the criteria used to evaluate performance and how this has affected the establishment of the variable amount accrued, as well as the measurement criteria used and the period necessary to be in a position to suitably measure all the conditions and criteria stipulated.
- In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (consolidation) and to exercise these options or financial instruments, including the price and term to exercise them.
- Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors and other external directors), that are beneficiaries of remunerations systems or plans that include variable remuneration.
- As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

Explain the short-term variable components of the remuneration systems

As explained in section A.1 of this Report, according to the Remuneration Policy, the variable remuneration only applies to Executive Directors.

The variable remuneration system for the Executive Directors in 2018 includes two components:

Annual Variable Remuneration (AVR)

In accordance with the terms of their respective contracts, the Executive Directors earned, in 2018, gross annual variable remuneration linked to the achievement of economic and management objectives related to the budget set by the board of directors for that year, which will be paid in 2019.

The objective criteria used to calculate the AVR for 2018 are the following:

(i) Mr. Eloy Planes

The AVR for 2018, prior to its weighting by the achievement scale, is 100% of the fixed remuneration for executive functions.

In 2018, the indicators have been the following:

- (i) 85%, economic objectives: Free cash-flow (40%), Net income over sales (30%) and total growth in sales (15%), and
- (ii) 15%, management objectives.

The ACC has verified the degree of achievement of the objectives to which the accrual of the AVR in 2018 was linked and has proposed it to the Board of Directors for approval. The degree of achievement was as follows:

Economic objectives: 65.88%

Management objectives: 86.7%

Based on those degrees of achievement, the AVR accrued in 2018 to be paid in 2019 is 248,413.74 euros.

(ii) Mr. Bruce Brooks

The AVR of 2018, prior to its weighting by the achievement scale is 100% of the fixed remuneration.

In 2018, the indicators have been the following:

- (i) 80%, economic objectives: Cash-Flow (25%), EBITDA (50%) and NWC (25%), and
- (ii) 20%, management objectives.

The ACC has verified the degree of achievement of the objectives to which the accrual of the AVR in 2018 was linked and has proposed it to the Board of Directors for approval. The degree of achievement was as follows:

- Economic objectives: 142.5%
- Management objectives: 100%

Based on that degree of achievement, the AVR accrued in 2018, which is the proportional amount of the variable remuneration relating to the period of provision of services at Fluidra in 2018, to be paid in 2019, is 280,503.76 euros. Some of Mr. Bruce Brooks' remuneration has been paid by another Fluidra Group company

Explain the long-term variable components of the remuneration systems

Plan 2015-2018, of which Mr. Eloy Planes is beneficiary and which vested on December 31, 2018, has been settled in January 2019. As a consequence of the settlement of the Plan, Mr. Eloy Planes has received 171,478 shares and 1,255,851 euros in cash in order to pay the personal income tax withholdings derived from the settlement of the incentive.

Greater details are given in subsection 7 of section A.1 of this Report

**B.8.** Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been consolidated and deferred or, in the case of the latter, consolidated and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction or clawback clauses, why they were implemented and the years to which they refer.

There have been no reductions or claims for reimbursement in respect of vested and paid or deferred variable remuneration components which were based on data that has subsequently been shown to be clearly inaccurate.

**B.9.** Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions to consolidate economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

The Company has assumed pension commitments with its executive directors, the main characteristics of which are described in section A.1 of this Report.

**B.10.** Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract in the terms provided for therein, accrued and/or received by directors during the year ended

During fiscal year 2018, no indemnities or other types of payments have accrued that derived from early termination, whether due to removal by the company or resignation by the director, or from termination of the contract.

**B.11.** Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

**Sr. Eloy Planes**

In 2018, the Board of Directors, at the proposal of the ACC, resolved to amend the contract for executive functions signed with Mr. Eloy Planes to adapt the functions to his new post as Executive President of Fluidra and to adapt his remuneration to market conditions, as explained in section B.6 of this Report, considering the new structure, size and complexity of the Fluidra group after the Merger. The main amendments are as follows:

Description of his functions and responsibilities as Executive President.

Modification of the fixed remuneration, increasing it from 250,000 euros to 360,000 euros.

Establishment of the AVR, weighted by the degree of achievement of the objectives to which it is linked, at 100% of the fixed remuneration for executive functions, with a maximum of 200%. Previously, it was 50% without any maximum limit.

Inclusion of industrial and intellectual property clauses.

**Mr. Bruce Brooks**

In 2018, the Company signed a contract with Mr. Bruce Brooks for the provision of services as chief executive officer of Fluidra. The main contracts conditions, which are based on the characteristics and basic tenets of the Remuneration Policy, are explained in section A.1 of this Report.

**B.12.** Explain any supplementary remuneration accrued by directors as consideration for services rendered outside of their post.

No other supplementary remuneration has accrued in favor of the directors in consideration for services provided other than those inherent to their posts.

**B.13.** Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts eventually returned, as well as the obligations taken on by way of guarantee or collateral.

There are no grants of advances, loans or guarantees by the Company to its directors.

**B.14.** Itemise the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components.

There follows a breakdown of the amount of the items of remuneration in kind accrued in 2018 by the Executive Directors, the nature of which is described in Section A.1 of this Report.

Mr. Eloy Planes

Mr. Eloy Planes has received the following remuneration in kind included in the Remuneration Policy:

- Amount relating to the life insurance policy: 12,000 euros.
- Amount relating to the health insurance policy: 5,210.40 euros.
- Cost of the use of a company car: 7,717.20 euros.
- Contribution to pension commitments: 24,000 euros. The annual contribution to the pension commitments is 16,000 euros. In 2017, only 8,000 euros were contributed, so in 2018, 16,000 euros have been contributed for this year and 8,000 euros for the contribution not made in 2017.

Mr. Bruce Brooks

Mr. Bruce Brooks has received the following remuneration in kind included in the Remuneration Policy:

- Amount relating to the life insurance policy: 9,567.54 euros.
- Amount relating to the health insurance policy: 10,755.67 euros.
- Cost of the use of a company car 459.31 euros.
- Contribution to pension commitments: 4,980.89 euros.

Some of Mr. Bruce Brooks' remuneration has been paid by another Fluidra Group company.

**B.15.** Explain the remuneration accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

The Company has not made payments to a third entity at which the directors might provide services, where the aim is to remunerate them for their services at the company.

However, as explained in preceding sections, the group company Zodiac Pool Solutions LLC has paid Mr. Bruce Brooks some of the remuneration accrued in respect of executive functions detailed in the preceding sections, in the amount of 275,253.93 euros.

**B.16.** Explain any other items of remuneration other than those mentioned in the previous sections, whatever their nature or the group company that settles the payment, particularly when this is a related operation or its settlement distorts the true image of the total remuneration accrued by the director.

In 2018, the directors did not earn any remuneration items in addition to those already described in this Report.

**C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR**

Name	Type	Period of accrual in year 2018
Mr. ELOY PLANES CORTS	Executive President	From 01/01/2018 to 31/12/2018
Mr. OSCAR SERRA DUFFO	Nominee Vice-President	From 01/01/2018 to 31/12/2018
Mr. BERNARDO CORBERA SERRA	Nominee Director	From 01/01/2018 to 31/12/2018
Mr. JUAN IGNACIO ACHA-ORBEA ECHIBARRIA	Independent Director	From 01/01/2018 to 31/12/2018
Mr. JORGE VALENTÍN CONSTANS FERNÁNDEZ	Independent Director	From 01/01/2018 to 31/12/2018
Mr. RICHARD J. CATHCART	Independent Director	From 01/01/2018 to 31/12/2018
Mr. BRUCE WALKER BROOKS	Chief Executive Director	From 02/07/2018 to 31/12/2018
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Nominee Director	From 02/07/2018 to 31/12/2018
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	Nominee Director	From 02/07/2018 to 31/12/2018
Mr. MICHAEL STEVEN LANGMAN	Nominee Director	From 02/07/2018 to 31/12/2018
Mr. GABRIEL LÓPEZ ESCOBAR	Independent Director	From 01/01/2018 to 31/12/2018
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)	Nominee Director	From 27/06/2018 to 31/12/2018
ANIOL SL.	Nominee Director	From 01/01/2018 to 26/06/2018
DISPUR S.L	Nominee Director	From 01/01/2018 to 01/07/2018

C.1. Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand €)

Name	Fixed remuneration	Per diem allowance	Remuneration for membership of Board's commitments	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year 2018	Total in year 2017
Mr. ELOY PLANES CORTS	112	8	2	360	248				730	582
Mr. OSCAR SERRA DUFFO	79	8	11						98	94
Mr. BERNARDO CORBERA SERRA	79	8	13						100	94
Mr. JUAN IGNACIO ACHA-ORBEA ECHIBARRIA	79	7	13						99	94
Mr. JORGE VALENTÍN CONSTANS FERNÁNDEZ	79	8	30						117	96
Mr. RICHARD J. CATHCART	79	16	13						108	107
Mr. BRUCE WALKER BROOKS	41	4		266	280			75	666	
Mr. JOSÉ MANUEL VARGAS GÓMEZ	41	4	8						53	
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	41	4	14						59	
Mr. MICHAEL STEVEN LANGMAN	41	3							44	
Mr. GABRIEL LÓPEZ ESCOBAR	92	8	15						115	106
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)	42	4	7						53	
ANIOL SL.	38	3	6						47	94
DISPUR S.L	38	4							42	84

Remarks

The table includes the remuneration accrued in favor of Mr. Bruce Brooks and paid by the Fluidra group, with the table in section c) indicating the remuneration paid by Fluidra and that paid by the rest of the Group companies

ii) Table of changes in shared-based remuneration schemes and gross profit from consolidated shares or financial instruments.

Name	Name of Plan	Financial Instruments at start 2018		Financial Instruments granted at 2018		Financial Instruments consolidated during the year				Financial Instruments at end of 2018	
		Nº of instruments	Nº of equivalent shares	Nº of instruments	Nº of equivalent shares	Nº of instruments	Nº of equivalent shares	Price of consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	Nº of instrument	Nº of equivalent shares
Mr. ELOY PLANES CORTS	Plan 2015-2018 / Plan 2018-2022	304,008	304,008	180,000	180,000	304,008	304,008	9.12	2,773	180,000	180,000
Mr. OSCAR SERRA DUFFO	Plan							0,00			
Mr. BERNARDO CORBERA	Plan							0,00			
Mr. JUAN IGNACIO ACHA-ORBEA ECHIBARRIA	Plan							0,00			
Mr. JORGE VALENTÍN CONSTANS FERNÁNDEZ	Plan							0,00			
Mr. RICHARD J. CATHCART	Plan							0,00			
Mr. BRUCE WALKER BROOKS	Plan 2018-2022			291,295	291,295			0,00		291,295	291,295



## ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

Name	Name of Plan	Financial Instruments at start 2018		Financial Instruments granted at 2018					Financial Instruments consolidated during the year		Financial Instruments at end of 2018	
		Nº of instruments	Nº of equivalent shares	Nº of instruments	Nº of equivalent shares	Nº of instruments	Nº of equivalent shares	Nº of equivalent shares/handed over	Price of consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	Nº of instrument	Nº of equivalent shares
Mr.JOSÉ MANUEL VARGAS GÓMEZ	Plan							0,00				
Mr.SEBASTIEN SIMON MAZELLA DI BOSCO	Plan							0,00				
Mr.MICHAEL STEVEN LANGMAN	Plan							0,00				
Mr.GABRIEL LÓPEZ ESCOBAR	Plan							0,00				
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)	Plan							0,00				
ANIOL SL.	Plan							0,00				
DISPUR S.L	Plan							0,00				

### Remarks

Plan 2015-2018 which vested on December 31, 2018, has been settled on January 15, 2019.

As explained in section A above, the number of shares equal to the number of instruments granted in 2018 under the Plan 2018-2022 will depend on the degree of achievement of the metrics to which the Plan is linked. The level of achievement of the metrics ranges between 25%, in the event the minimum levels established for each metric are met, to a maximum of 170%, if the maximum values established for each metric are met or exceeded. Consequently, the maximum number of shares to be delivered to the Executive Directors in the event the maximum values established for each metric are met or exceeded would be 306,000 euros in the case of Mr. Eloy Planes and 495,338 euros in the case of Mr. Bruce Brooks.

iii) Long-term saving systems.

Name	Remuneration from consolidation of rights to savings system
Mr. ELOY PLANES CORTS	24
Mr OSCAR SERRA DUFFO	
Mr BERNARDO CORBERA SERRA	
Mr JUAN IGNACIO ACHA-ORBEA ECHIBARRIA	
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ	
Mr RICHARD J. CATHCART	
Mr BRUCE WALKER BROOKS	5
Mr JOSÉ MANUEL VARGAS GÓMEZ	
Mr SEBASTIEN SIMON MAZELLA DI BOSCO	
Mr MICHAEL STEVEN LANGMAN	
Mr GABRIEL LÓPEZ ESCOBAR	
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)	
ANIOL SL.	
DISPUR S.L	

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
Mr. ELOY PLANES CORTS	24	8				131		107

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
Mr. OSCAR SERRA DUFFO								
Mr BERNARDO CORBERA SERRA								
Mr JUAN IGNACIO ACHA-ORBEA ECHIBARRIA								
Mr JORGE VALENTÍN CONSTANS FERNÁNDEZ								
Mr RICHARD J. CATHCART								
Mr BRUCE WALKER BROOKS	5				248			
Mr JOSÉ MANUEL VARGAS GÓMEZ								
Mr SEBASTIEN SIMON MAZELLA DI BOSCO								
Mr MICHAEL STEVEN LANGMAN								
Mr GABRIEL LÓPEZ ESCOBAR								
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)  ANIOL SL.								

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
DISPUR S.L								

**Remarks**

The table includes the remuneration accrued in favor of Mr. Bruce Brooks and paid by the Fluidra group, with the table in section c) indicating the remuneration paid by Fluidra and that paid by the rest of the Group companies.

The annual contribution to the pension plan of Mr. Eloy Planes is 16,000 euros. In 2017, only 8,000 euros were contributed, so in 2018, 16,000 euros have been contributed for this year and 8,000 euros for the contribution not made in 2017.

The total accumulated fund amounts, related Mr. Eloy Planes to 131,239 euros and Mr. Bruce Brooks to 248,507 euros

**iv) Detail of other items**

Name	Item	Amount remunerated
Mr. ELOY PLANES CORTS	Vehicle	8
Mr. ELOY PLANES CORTS	Life insurance	12
Mr. ELOY PLANES CORTS	Medical insurance	5
Mr. OSCAR SERRA DUFFO	Item	
Mr. BERNARDO CORBERA SERRA	Item	
Mr. JUAN IGNACIO ACHA-ORBEA ECHIBARRIA	Item	
Mr. JORGE VALENTÍN CONSTANS FERNÁNDEZ	Item	
Mr. RICHARD J. CATHCART	Item	
Mr. BRUCE WALKER BROOKS	Life insurance	10

Name	Item	Amount remunerated
Mr. BRUCE WALKER BROOKS	Medical Insurance	11
Mr. BRUCE WALKER BROOKS	Vehicle	1
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Item	
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	Item	
Mr. MICHAEL STEVEN LANGMAN	Item	
Mr. GABRIEL LÓPEZ ESCOBAR	Item	
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)	Item	
ANIOL SL.	Item	
DISPUR S.L	Item	

**Remarks**

The table includes the remuneration earned by Mr. Bruce Brooks paid by the Fluidra group, and the table of section C) contains a breakdown between the remuneration paid by Fluidra and the rest of the Group companies

b) Remuneration of the Company directors for seats on the boards of other group companies:

i) Remuneration in cash (in thousand €)

Name	Fixed remuneration	Per diem allowance	Remuneration for membership of Board's commitments	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year 2018	Total in year 2017
Mr. ELOY PLANES CORTS										

Name	Fixed remuneration	Per diem allowance	Remuneration for membership of Board's commitments	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance pay	Other grounds	Total in year 2018	Total in year 2017
Mr. OSCAR SERRA DUFFO										
Mr. BERNARDO CORBERA SERRA										
Mr. JUAN IGNACIO ACHA-ORBEA ECHIBARRIA										
Mr. JORGE VALENTÍN CONSTANS FERNÁNDEZ										
Mr. RICHARD J. CATHCART										
Mr. BRUCE WALKER BROOKS										
Mr. JOSÉ MANUEL VARGAS GÓMEZ										
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO										
Mr. MICHAEL STEVEN LANGMAN										
Mr. GABRIEL LÓPEZ ESCOBAR										
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)										
ANIOL SL.										
DISPUR S.L										

[ ]

ii) Table of changes in share-based remuneration schemes and gross profit from consolidated shares or financial instruments.

Name	Name of Plan	Financial Instruments at start 2018		Financial Instruments granted at 2018		Financial Instruments consolidated during the year			Financial Instruments at end of 2018	
		Nº of instruments	Nº of equivalent shares	Nº of instruments	Nº of equivalent shares	Nº of equivalent shares/handed over	Price of consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	Nº of instrument	Nº of equivalent shares
Mr. ELOY PLANES CORTS	Plan						0,00			
Mr. OSCAR SERRA DUFFO	Plan						0,00			
Mr. BERNARDO CORBERA SERRA	Plan						0,00			
Mr. JUAN IGNACIO ACHA-ORBEA ECHIBARRIA	Plan						0,00			
Mr. JORGE VALENTÍN CONSTANS FERNÁNDEZ	Plan						0,00			
Mr. RICHARD J. CATHCART	Plan						0,00			
Mr. BRUCE WALKER BROOKS	Plan						0,00			

## ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

Name	Name of Plan	Financial Instruments at start 2018		Financial Instruments granted at 2018					Financial Instruments consolidated during the year		Financial Instruments at end of 2018	
		Nº of instruments	Nº of equivalent shares	Nº of instruments	Nº of equivalent shares	Nº of instruments	Nº of equivalent shares	Price of consolidated shares	Net profit from shares handed over or consolidated financial instruments (thousand €)	Nº of instrument	Nº of equivalent shares	
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Plan							0,00				
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	Plan							0,00				
Mr. MICHAEL STEVEN LANGMAN	Plan							0,00				
Mr. GABRIEL LÓPEZ ESCOBAR	Plan							0,00				
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)	Plan							0,00				
ANIOL SL.	Plan							0,00				
DISPUR S.L	Plan							0,00				



Remarks

iii) Long-term savings.

Name	Remuneration from consolidation of rights to savings system
Don ELOY PLANES CORTS	
Don OSCAR SERRA DUFFO	
Don BERNARDO CORBERA SERRA	
Don JUAN IGNACIO ACHA-ORBEA ECHIBARRIA	
Don JORGE VALENTÍN CONSTANS FERNÁNDEZ	
Don RICHARD J. CATHCART	
Don BRUCE WALKER BROOKS	
Don JOSÉ MANUEL VARGAS GÓMEZ	
Don SEBASTIEN SIMON MAZELLA DI BOSCO	
Don MICHAEL STEVEN LANGMAN	
Don GABRIEL LÓPEZ ESCOBAR	
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)	
ANIOL SL.	
DISPUR S.L	

Name	Contribution over the year from the company (thousand €)		Amount of accumulated funds (thousand €)	
	Savings systems with consolidated economic rights	Savings systems with unconsolidated economic rights	Savings systems with consolidated economic rights	Savings systems with unconsolidated economic rights
Don ELOY PLANES CORTS				
Don OSCAR SERRA DUFFO				
Don BERNARDO CORBERA SERRA				
Don JUAN IGNACIO ACHA-ORBEA ECHIBARRIA				
Don JORGE VALENTÍN CONSTANS FERNÁNDEZ				
Don RICHARD J. CATHCART				
Don BRUCE WALKER BROOKS				
Don JOSÉ MANUEL VARGAS GÓMEZ				
Don SEBASTIEN SIMON MAZELLA DI BOSCO				
Don MICHAEL STEVEN LANGMAN				
Don GABRIEL LÓPEZ ESCOBAR				
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)				

Name	Contribution over the year from the company (thousand €)				Amount of accumulated funds (thousand €)			
	Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights		Savings systems with consolidated economic rights		Savings systems with unconsolidated economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
ANIOL SL.								
DISPUR S.L								

Remarks

iv) Detail other items

Name	Item	Amount remunerated
Mr. ELOY PLANES CORTS	Item	
Mr. OSCAR SERRA DUFFO	Item	
Mr. BERNARDO CORBERA SERRA	Item	
Mr. JUAN IGNACIO ACHA-ORBEA ECHIBARRIA	Item	
Mr. JORGE VALENTÍN CONSTANS FERNÁNDEZ	Item	
Mr. RICHARD J. CATHCART	Item	
Mr. BRUCE WALKER BROOKS	Item	
Mr. JOSÉ MANUEL VARGAS GÓMEZ	Item	
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	Item	
Mr. MICHAEL STEVEN LANGMAN	Item	

Name	Item	Amount remunerated
Mr. GABRIEL LÓPEZ ESCOBAR	Item	
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)	Item	
ANIOL SL.	Item	
DISPUR S.L	Item	

Remarks

c) Summary remunerations (thousan €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand €).

Name	Remuneration accrued in the company				Total 2018 company	Remuneration accrued in group-companies		
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Long-term saving systems remunerations	Remuneration for other items		Total cash remuneration	Gross profit of consolidated shares or financial instruments Long-terms savings systems remuneration	Remuneration for other items
Mr. ELOY PLANES CORTS	730	2,773	24	25	3,552			
Mr. on OSCAR SERRA DUFFO	98				98			
Mr. BERNARDO CORBERA SERRA	100				100			
Mr. JUAN IGNACIO ACHA-ORBEA ECHIBARRIA	99				99			
Mr. JORGE VALENTÍN CONSTANS FERNÁNDEZ	117				117			

## ANNUAL REPORT ON REMUNERATION OF DIRECTORS OF LISTED COMPANIES

Name	Remuneration accrued in the company				Remuneration accrued in group-companies				
	Total cash remuneration	Gross profit of consolidated shares or financial instruments	Long-term saving systems remunerations	Remuneration for other items	Total 2018 company	Total cash remuneration	Gross profit of consolidated shares or financial instruments Long-terms savings systems remuneration	Remuneration for other items	Total 2018 group
Mr. RICHARD J. CATHCART	108				108				
Mr. BRUCE WALKER BROOKS	417				417	249	5	21	275
Mr. JOSÉ MANUEL VARGAS GÓMEZ	53				53				
Mr. SEBASTIEN SIMON MAZELLA DI BOSCO	59				59				
Mr. MICHAEL STEVEN LANGMAN	44				44				
Mr. GABRIEL LÓPEZ ESCOBAR	115				115				
PIUMOC INVERSIONS S.A.U (REPRESENTED BY BERNAT GARRIGÓS CASTRO)	53				53				
ANIOL SL.	47				47				
DISPUR S.L	42				42				
<b>TOTAL</b>	<b>2,082</b>	<b>2,773</b>	<b>24</b>	<b>25</b>	<b>4,904</b>	<b>249</b>	<b>5</b>	<b>21</b>	<b>275</b>

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**D. OTHER INFORMATION OF INTEREST**

If there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

Continues from Section A.1.1

2. Specific determinations regarding the remuneration of the directors both in their capacity as such and for the performance of executive functions

In relation to specific determinations, for the fiscal year in course, regarding the remuneration of the directors both in their capacity as such and for the performance of executive functions, the Appointments and Remuneration Committee of Fluidra (the "ACC") and the Board are going to apply the Remuneration Policy on the terms approved by the Fluidra Shareholders' Meeting.

2.1. Specific determinations of the remuneration of directors in their capacities as such:

For 2019, the remuneration of directors in respect of the supervisory and collegiate decision-making functions of their directorship positions consists of the following items:

A fixed amount of remuneration in cash that is established based on their position and responsibility. In this respect, the fixed remuneration of the president and of the coordinator of the Board of Directors is higher than that of the other members in view of their greater responsibility for the efficient functioning of the Board.

A fixed amount of remuneration in cash for their participation in the ACC and/or the Audit Committee and/or Delegated Committee ("Committees"). The remuneration corresponding to the chairpersons of these Committees is higher than the amount paid to the other members in view of their greater responsibility for the efficient functioning of such Committees.

Fees for attending the meetings of the Board or its Committees. The amount received by the directors who reside outside of Europe is higher than the amount received by the other members of the Board.

The Company has not taken on any obligation or commitment related to pensions, retirement or similar arrangements with the directors in respect of the supervisory and collegiate decision-making functions of their directorship positions.

In accordance with Corporate Governance recommendations, there are no other remuneration schemes for the directors or share-based incentive plans in which the directors participate in respect of the supervisory and collegiate decision-making functions of their directorship positions, the aim being to avoid their remuneration being linked to short-term targets and variables.

In any event, the sum of fixed remuneration and fees may not exceed the maximum amount approved by the Shareholders' Meeting, which shall remain in force until the Shareholders' Meeting resolves to change it, although the Board of Directors may set a lower amount.

For 2019, the maximum amount of remuneration corresponding to all the directors in their capacities as such has been set at 1,600,000 euros; the setting of the exact amount to be paid within this limit, and its distribution to the different directors, are questions to be resolved upon by the Board of Directors, at the proposal of the ACC, in the proportions it freely determines, having regard to the criteria described above.

2.2. Specific determinations of the remuneration of the directors for the performance of executive functions

For 2019, Fluidra has two executive directors (the "Executive Directors"). These are:

Mr. Eloy Planes, who has held the position of executive president of Fluidra since January 2016, and who previously held office as chief executive officer.

Mr. Bruce Books, who has held the position of chief executive officer of Fluidra since July 2, 2018, and who previously held office as the chief executive officer of the Zodiac group.

The remuneration for the performance of executive functions is additional to any remuneration that the director may receive for the supervisory and collegiate decision-making functions corresponding to his/her position as a Board member.

Remuneration shall be allocated for the performance of executive functions in accordance with the policy established for the remuneration of senior executives and the terms of their respective contracts, all in accordance with objective criteria.

The main items of which the Executive Directors' remuneration is made up are:

Fixed remuneration based on level of responsibility assumed and professional background.

Annual variable remuneration linked to the achievement of pre-established objectives.

Long-term variable remuneration based on Fluidra equity instruments or linked to the value thereof.

Pension and other welfare benefits

3. Description of the procedures and bodies at the company involved in the determination and approval of the remuneration policy and its terms and conditions

The bodies involved in determining and approving the Fluidra remuneration policy are the Board of Directors and the ACC, the Shareholders' Meeting being the body competent to approve the directors' remuneration policy, pursuant to applicable legislation.

According to article 39 of the bylaws of Fluidra (the "Bylaws") and article 5 of the Board Regulations, the Board of Directors is competent to reach decisions regarding directors' remuneration within the framework of the bylaws and, where appropriate, the remuneration policy approved by the Shareholders' Meeting.

In turn, the current wording of article 14 of the Board of Directors Regulations, which regulates the composition, competencies and functioning of the ACC, stipulates as follows:

"1. Similarly, an Appointments and Remuneration Committee shall be formed within the Board of Directors, such Committee being made up of four (4) non-executive directors, at least two of which must be independent directors, who are to be appointed by the Board of Directors. Nevertheless, executive directors and senior executives may also attend Appointments and Remuneration Committee meetings when expressly agreed by the Committee members. The members of the Appointments and Remuneration Committee shall be appointed having regard to their knowledge, skills and experience, as well as to the duties of the Committee. Any Board member may request that the Appointments and Remuneration Committee take into consideration potential candidates for any vacant positions on the Committee.

The Chairman of the Appointments and Remuneration Committee must necessarily be an independent director, elected from among the independent directors serving on the Committee. A Committee Secretary, who need not be a director, shall be selected by the Committee itself."

Without prejudice to any other tasks which may be assigned to the ACC by law, the Bylaws or the Board of Directors, the basic responsibilities of the ACC are as follows:

To draw up and review the criteria to be adhered to regarding the composition of the management team of the Company and its subsidiaries and in the selection of candidates

Evaluate the balance of skills, knowledge and experience on the Board; define, on that basis, the roles and capabilities required of the candidates to fill each vacancy; and decide the time and dedication necessary for them to properly perform their duties.

Report on, and submit to the Board of Directors proposals for appointments and dismissals of senior executives and other executives as proposed by the Executive President and/or the Chief Executive Officer, as well as the basic conditions of their contracts.

To report to the Board on gender diversity matters and the qualifications of directors.

Making proposals to the Board of Directors regarding: (i) the remuneration policy for directors and general managers or persons performing senior management functions who report directly to the Board, to the Delegated Committee or to executive directors; (ii) the individual remuneration of executive directors and the other terms of their contracts; (iii) the recruitment policies and basic terms of the contracts of the Company's senior executives.

Examine and organize, in appropriate form, the process for succession of the president and of the Chief Executive Officer, making recommendations to the Board so the handover proceeds in a planned and orderly manner.

Overseeing compliance with the remuneration policy established by the Company, and the transparency of remuneration.

To establish a target for the representation of the underrepresented gender on the Board of Directors and prepare guidelines on how to achieve this target.

To submit to the Board of Directors proposals for the appointment of independent directors for their designation by co-option or for submission to the decision of the Shareholders' Meeting, as well as proposals for the reappointment or removal of such directors by the Shareholders' Meeting.

Report on the proposed appointments of other directors for their designation by co-option or for submission to a decision by the Shareholders' Meeting, as well as on proposals for their re-appointment or removal by the Shareholders' Meeting.

At the date of this report, the composition of the ACC is as follows:

Richard Cathcart member 3/5/2017

Piumoc Inversions, S.A.U. (represented by Bernat Garrigós Castro) member\* 27/6/2018

Sébastien Mazella di Bosco member 20/2/2018

Jorge Valentín Constans Charmain 5/05/2015 (\*)

(\*) He holds the position of Committee Secretary

In 2018, the ACC met 8 times, with all the directors attending all the meetings. The ACC is expected to meet on at least 5 occasions during 2019.

Apart from reviewing those aspects which derive from its basic responsibilities, as described above, the ACC shall focus on the following activities during 2019:

Evaluation of the professional performance of the Executive Directors and management team of the Group.

Proposal of strategic objectives for 2019 for Executive Directors and the Group's management team, for approval by the Board.

Monitoring of contingency succession planning in respect of the President of the Board and chief executive.

Review and evaluation of annual variable remuneration corresponding to 2018, to be settled in 2019.

Appointment and reelection of independent directors.

Monitoring of Plan 2018-2022 for the Executive Directors and management team personnel.

Evaluation of the Board and its Committees and monitoring of the plan of action resulting from the Board of Directors' self-evaluation.

Report on and submit to the Board of Directors proposals for appointments and dismissals of executives as proposed by the chief executive.

Monitoring of the talent management plan and succession plans in respect of management team personnel.

Monitoring of the Corporate Social Responsibility Plan.

#### 4. Comparable companies considered when establishing the company's remuneration policy

The aim of the Remuneration Policy is for directors' remuneration to comply with trends followed by companies that are comparable in size, activity or structure, so that they are in keeping with best market practices.

In this regard, Fluidra periodically reviews, using market references, the external competitiveness of the remuneration it pays to its directors and senior managers, based as a reference on multinational companies which are more or less similar in terms of size or complexity, or whose size, number of employees and organizational structure are to some extent comparable in terms of business organization and international presence. The Company has requested benchmark studies on remuneration of directors, from Seeliger and Conde, Georgeson, and Willis Towers Watson. Also, in relation to Plan 2018-2022 approved by the Shareholders' Meeting in 2018, the ACC requested opinion reports from Georgeson and Willis Towers Watson.

The results of these studies and reports show that Fluidra's directors' remuneration system is in accordance with market standards, in both quantitative and a qualitative terms.

#### 5. Information on whether any external advisor has participated and, if so, the identity thereof

In general, the proposals of the ACC have been prepared with the assistance of the Company's internal advisors and, where appropriate, with that of external advisors who perform their analyses to ensure that best corporate governance practices are adhered to.

In 2018, the ACC has received advice on remuneration from Willis Tower Watson, HAY Group, Georgeson, S.R.L. and J&A Garrigues, S.L.P.

Continues from Section A.1.2

7. Criteria and objectives considered when determining variable remuneration and to ensure that the balance between fixed and variable remuneration components is appropriate.

The variable remuneration system for the Executive Directors for 2019 includes two components: annual variable remuneration and long-term variable remuneration.

Annual variable remuneration ("AVR"):

In accordance with the terms of their respective contracts, the Executive Directors receive AVR linked to the achievement of economic and management objectives related to the budget set by the Board of Directors for each year.

The objective criteria to be used to calculate the AVR for 2019 are as follows:

The AVR for 2019 corresponding to the Executive Directors, prior to weighting based on the achievement scale, is 100% of their fixed remuneration in respect of executive functions. 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 or exceeding the maximum levels established for each indicator.

The indicators for 2019:

- (i) 85%, economic objectives: Free Cash-Flow (35%), Net Income (30%) and total growth in sales (10%) and
- (ii) 15%, management objectives: synergies from the Merger in costs (10%) and synergies from the Merger in sales (5%).

The achievement scale for the economic objectives in 2019 is as follows:

Free Cash Flow: 80% of the objective for entitlement to payment of 40% of the AVR linked to this objective, and 120% for entitlement to 200%.

Net Income: 80% for entitlement to payment of 40% of the AVR linked to this objective, and 120% for entitlement to 200%.

Total growth in sales: 50% for entitlement to payment of 40% of the AVR linked to this objective, and 150% for entitlement to 200%.

Long-term variable remuneration

For 2019, the Executive Directors are beneficiaries of the following ILPs implemented by the Company:

**Plan 2015 – 2018**

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

The Plan was launched on January 1, 2015 and ended on December 31, 2018, without prejudice to the effective settlement of it which took place in January 2019.

Plan 2015-2018 was implemented through the award of a certain number of units convertible into shares ("PSUs") which are settled in shares of the Company after a certain period of time has elapsed, as long as certain strategic objectives of Fluidra and the requirements established in the Plan Regulations in this respect are met.

The maximum number of PSUs to be granted under the Plan was 2,161,920. The Fluidra Shareholders' Meeting resolved to award 171,233 PSUs to Mr. Eloy Planes.

The number of shares to be delivered to each beneficiary on the settlement date of the Plan, subject to the beneficiary's continued service through to the end of the Plan, is determined by applying, to the number of PSUs assigned linked to compliance with financial objectives, the level of achievement percentage for each one. The Shareholders' Meeting resolved to set the weighting percentages for Mr. Eloy Planes at 70% for the Total Shareholder Return ("TSR") objective and 30% for the Fluidra EBITDA objective.

In no circumstances - not even applying the maximum coefficients in relation to the achievement of the objectives set - is it possible to exceed the maximum number of shares deliverable under the Plan, as referred to above.

Once the Shares have been allocated and until three years have elapsed as from their acquisition, the executive directors are unable to transfer the ownership of a number of shares equivalent to twice their fixed annual remuneration. Nevertheless, the above does not apply in respect of shares that the executive director needs to dispose of, should the case arise, to meet costs related to their acquisition, including taxation deriving from the delivery of the shares.

Based on the degree of achievement of the metrics to which Plan 2015-2018 was linked - for which the measurement period ended on December 31, 2017 - Mr. Eloy Planes had accrued entitlement to the receipt of 422,323 shares, subject to the requirement that he remain in service through to December 31, 2018.

However, since the level of achievement of the metrics was such that the total number of shares to be delivered to the Beneficiaries exceeded the maximum number authorized by the Shareholders' Meeting, the Board of Directors, at the proposal of the ACC, proceeded to distribute the shares proportionally among the Beneficiaries, so as not to exceed the maximum number of shares authorized. Mr. Eloy Planes is entitled to receive 304,008 shares. This number exceeds that reflected in the Annual Report on Remuneration for 2017 (296,156 shares) owing to the adjustments in the distribution of shares made in 2018 as a result of the fact that certain Beneficiaries had not met the continued service through to December 31, 2018 requirement.

Plan 2015-2018 has been settled in January 2019 as follows: (i) a part in shares, corresponding to the value of the incentive less the withholding or prepayment of IRPF or a similar tax and imputable social security contributions corresponding to the Incentive, and (ii) another part in cash, equivalent to the amount of the withholding or prepayment of IRPF or a similar tax and social security contributions imputable to the Beneficiary and corresponding to the incentive.

Plan 2015-2018 has been settled in favor of Mr. Eloy Planes through the delivery of (i) 171,478 shares and (ii) 1,255,851 euros in cash to cover the amount of the IRPF withholding and prepayment deriving from the settlement of the Plan.

**Plan 2018 – 2022**

The Shareholders' Meeting held on June 27, 2018 approved a long-term incentive plan known as Plan 2018-2022 aimed at key executives and executive directors of the Fluidra group.

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

The Shareholders' Meeting of June 27, 2018 resolved to designate Mr. Eloy Planes and Mr. Bruce Brooks as beneficiaries of Plan 2018-2022.

The main basic conditions of Plan 2018-2022 are as follows:

Objective: Plan 2018-2022 aims to encourage, motivate and retain the Fluidra management team, linking part of its remuneration to the value of the Company's share.

The Plan 2018-2022 consists of the Beneficiaries being entitled to receive a certain number of ordinary Fluidra shares provided certain requirements are met.

Instrument: Plan 2018-2022 is implemented through the award of a certain number of 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 relevant requirements established in the Plan 2018-2022 regulations have been met.

The maximum number of Company shares to be delivered under Plan 2018-2022 is a total of 5,737,979 shares, representing 2.93 percent of the Company's share capital as at the Merger registration date.

Term: Plan 2018-2022 was launched on January 1, 2018 and ends on December 31, 2022, without prejudice to the effective settlement of the 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 to each of the Beneficiaries of Plan 2018-2022 is decided by the Board of Directors based on a proposal by the ACC, except in the case of directors with executive functions, for which the PSUs are assigned by the Shareholders' Meeting, where appropriate.

The Shareholders' Meeting of June 27, 2018 approved the assignment of 180,000 PSUs to Mr. Eloy Planes Corts 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 which expand upon the Plan. In the event of the Beneficiary resigning or his lawful dismissal or justified termination, he shall therefore lose entitlement to receive the shares under Plan 2018-2022

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 the continued service requirement and to compliance with the financial objectives to which the Plan is linked.

Metrics: The degree of achievement, and thus the number of Fluidra shares to be delivered to the Beneficiaries, will depend on the degree of achievement of the financial objectives to which Plan 2018-2022 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 which are linked to the fulfillment of the financial objectives, shall be established based on:

- (i) the evolution of Fluidra's TSR in absolute terms, and
- (ii) the evolution of the EBITDA of the Fluidra group.

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 over 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 achievement scale ranges from 25%, in the event of achievement 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 disposability: The delivery of the shares in payment of the variable remuneration shall be executed either by Fluidra or by a third party in accordance with the coverage systems adopted by the Board of Directors.

The shares which, where appropriate, result from the settlement of this Plan may not, in any case, be transferred to the Beneficiaries - who will lose all entitlement to receive them - in the event of their having been penalized for a serious breach of the code of conduct, pursuant to Group's internal regulations, prior to the delivery date.

Similarly, the Company may demand the reimbursement of the shares delivered under Plan 2015-2018, or even offset the delivery made against other types of remuneration of any nature to which the Beneficiary is entitled if, during the two years following settlement of the Plan, it becomes evident that such settlement was based wholly or in part on information which has subsequently been clearly shown to be false or seriously inaccurate. This clause is applicable to the Executive Directors in all cases and to the Beneficiaries who are responsible for such information.

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 remuneration. 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.

8. Actions taken by the company in relation to the remuneration plan, to reduce exposure to excessive risk and adjust it to the company's long-term objectives, values and interests, period of accrual and of payment deferral

The principles regulating the Company's Directors' Remuneration Policy take into account the shareholders' interests and prudent risk management. The remuneration system therefore seeks to promote the Company's long-term profitability and sustainability and includes the necessary safeguards to prevent excessive risk-taking and the rewarding of poor results.

The measures that the Company has established for determining an appropriate risk management and promoting sustainability of results are:

Annual variable remuneration ("AVR"):

There is no entitlement to receive a guaranteed variable annual remuneration.

A maximum amount has been set for the RVA, which may not exceed 200 percent of the Executive Director's fixed remuneration.

The parameters of the AVR are defined annually, the objectives being set by the Board upon a proposal by the ACC, having regard to the variables which have been identified within the Company's risk map.

Defined scales of achievement for each objective based on the Company's results are included. Any variation in the Company's results will affect the degree of achievement of the objectives and directly affect the amount of the AVR to which - where appropriate - the Executive Directors may be entitled.

The AVR accrues annually and is paid annually in arrears, within the first quarter of the calendar year following the year of accrual.

Long-term variable remuneration:

Long-term remuneration is linked to specific financial metrics, including defined scales of achievement for each objective based on the Company's results. Pursuant to the Remuneration Policy, the incentive to be settled shall take into account any qualifications in the external auditor's report that reduce the Company's earnings.

The settlement of long-term remuneration must be deferred for the minimum period of time necessary in order to verify that the pre-established conditions to which it is linked have indeed been met.

The long-term remuneration system for Executive Directors imposes on them the obligation to maintain the ownership of a certain number of any shares they may receive under long-term incentive plans.

The long-term remuneration corresponding to the Executive Directors is subject to a clawback clause, which enables the Company to demand reimbursement of the remuneration if it becomes evident that its settlement and payment was based wholly or in part on information which has subsequently been proven to have been false or seriously inaccurate.

The regulations in respect of the long-term incentive plans implemented by the Company establish the following:

A calendar whereby the delivery of the shares is deferred for a period of one year as from the end of the measurement period for the metrics to which the incentive is linked.

The obligation, incumbent on the Executive Directors, to main shares received equivalent to twice their fixed annual remuneration until at least three years have elapsed as from their award, without this provision being applicable to any shares which they may need to transfer in order to meet costs related to the acquisition of the shares, including taxes.

A clawback clause with a two-year duration.

The loss of entitlement to receive the incentive if, before it is settled, the beneficiary has been penalized for a serious breach of the code of conduct pursuant to Fluidra's internal regulations.

If there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

During the first half of 2017, following the acquisition of the Zodiac Group, affiliates of Rhône Capital LLC ("Rhône"), implemented a Management Equity Plan ("MEP") for executives of the Zodiac Group, including Mr. Bruce Brooks, based on ownership of shares in Luxco (the "Original Plan"). The merger agreements between Fluidra and Zodiac HoldCo envisage the substitution of that Original Plan with another one on the terms signed between Luxco (and its affiliate, a Luxembourg partnership, "Lux SCS") and the beneficiary executives, the enforceability of which was subject to the registration of the Merger (the "Substitute Plan"). The changes made to the Original Plan to produce the Substitute Plan were made with the intent of substantially aligning, and not conflicting with, the targets and periods established in the Fluidra Plan 2018-2022. Under the Substitute Plan, the beneficiaries – which include Mr. Bruce Brooks – hold three different instruments, Lux SCS units convertible into Fluidra shares or into cash, subject to "lock-up" periods over which restrictions apply on the disposal of the shares, repurchase options in the event of the executive's termination of service, and, where applicable, the achievement of certain financial objectives. The Remuneration Policy includes, under heading 8, the description of the Substitute Plan of which Mr. Bruce Brooks is a beneficiary.

This annual remuneration report has been approved by the Board of Directors of the company on:

[ 02/27/2018 ]

State whether any director has voted against or abstained from approving this report

- Yes  
 No