

**Report issued by the board of directors of Fluidra, S.A. on the
amendment to article 38 of the bylaws of the Company**

At Sabadell, on March 30, 2016

1. Introduction

The board of directors of Fluidra, S.A. (the “**Company**”) resolved, at the meeting held on March 30, 2016, to call the annual shareholders’ meeting to be held on May 3, 2016, at first and only call, and to submit to said shareholders’ meeting, as item 8 on the agenda, the approval of the amendment to article 38 of the bylaws of the Company (Appointment of offices on the Board of Directors).

Pursuant to article 286 of the restated Spanish Corporate Enterprises Law (*Ley de Sociedades de Capital*), passed by Legislative Royal Decree 1/2010, of July 2, and related articles of the Commercial Registry Regulations, passed by Royal Decree 1784/1996, of July 19, said proposal for a resolution to the shareholders’ meeting requires the preparation by the managing body of the following supporting report (the “**Report**”) and of the full text of the proposed amendment to the bylaws.

2. Grounds for the proposal

The proposal for amendment to article 38 of the bylaws of the Company subject matter of this Report is intended to include a new paragraph to regulate the possibility that the board of directors of the Company may designate an Honorary President from among those persons who held office as chairman of the board of directors of the Company.

Such amendment to the bylaws is in line with the amendment to article 8 of the Board Regulation of the Company resolved by the board of directors at the meeting it held on December 1, 2015.

3. Full text of the proposed amendment to the bylaws

The proposed amendment, should it be approved by the shareholders’ meeting, shall imply the amendment to article 38 of the bylaws to be restated as set out below:

“Article 38. Designation of offices on the Board of Directors

The Board of Directors, after a report of the Appointments and Compensation Committee, shall appoint from among its members the Chairman and, as the case may be, one or more Deputy Chairmen, to replace the Chairman in the event of vacancy, absence or disease. It shall also appoint the person to hold office as Secretary, after a report issued by the Appointments and Compensation Committee.

To be appointed to Chairman or Deputy Chairman, the designated person shall necessarily be a member of the Board of Directors, which circumstance shall not be required for the person to be designated to hold office as Secretary, in which case the Secretary shall have the right to speak but not to vote.

The Board of Directors may also appoint voluntarily, after a report of the Appointments and Compensation Committee, one Deputy Secretary who need not be a Board member.

In addition, the Board of Directors may designate an Honorary President of the Company from among those persons who held office as Chairman of the Board of Directors of the Company, given the special relevance of their mandate. The Honorary President shall have functions of honorary representation and shall advise the Board of Directors, the Chairman and the Deputy Chairman of the Board of Directors. The Board of Directors shall make available to the Honorary President the technical, material and human means that it deems advisable for the Honorary President to perform his functions on the most adequate terms and using the most appropriate procedures.”

For the appropriate legal purposes, the board of directors of the Company issues this Report, at Sabadell, on March 30, 2016.

Eloy Planes Corts

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