

**REPORT PREPARED BY THE BOARD OF DIRECTORS OF FLUIDRA, S.A.  
RELATING TO THE PROPOSAL OF AMENDMENT OF THE BYLAWS TO BE  
SUBMITTED TO THE ANNUAL SHAREHOLDERS' MEETING FOR  
APPROVAL (ITEM SEVEN ON THE AGENDA)**

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**1. Introduction**

The managing body of Fluidra, S.A. (the “**Company**”) resolved, at the meeting on April 23, 2013 to call the shareholders to attend an annual shareholders’ meeting, to be held on first and single call on June 5, 2013, and to submit for the approval of that shareholders’ meeting, under item seven on the agenda, a resolution to amend article 37 of the bylaws (“Term of office. Director’s rules”).

In accordance with the provisions of Article 286 of the revised Corporate Enterprises Law, approved by Legislative Royal Decree 1/2010, of July 2, 2010 (“**LSC**”) and related provisions of the Commercial Registry Regulations, approved by Royal Decree 1784/1996, of July 19, 1996 (“**RRM**”), the proposed resolution to be submitted to the shareholders’ meeting requires an explanatory report (the “**Report**”) to be prepared by the managing body as well as the full wording of the proposed bylaw amendment.

**2. Justification for the proposal**

The proposed bylaw amendment of article 37 seeks to reduce from six (6) to four (4) years the maximum term in office of the directors, according to the international tendency and with the practice of other listed companies.

This proposal to reduce the duration of the post of director on a maximum period of four (4) years allows reviewing the composition of the Board of Directors more frequently and, additionally, is in accordance with the best corporate governance practices and with the recommendations that carry out most of the voting qualification agencies.

### 3. Full wording of the proposed bylaw amendment

The proposed bylaw amendment, if approved by the shareholders' meeting, will entail the amendment of article 37 of the bylaws, which will hereafter be worded as follows:

#### **"Article 37.- Term of office. Director's rules**

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

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

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

*Board members may not engage, for their own account or for the account of a third party in any activity that is the same as or similar or supplementary to the activity making up the corporate purpose of the Company or hold the office of director or executive in companies that are competitors of the Company, with the exception of offices they may hold, as the case may be, in companies of the Group, unless expressly authorised by the General Meeting, and without prejudice to the provisions of articles 227 to 229 of the Companies Law.*

*Board members shall receive the compensation determined by the General meeting for holding said office, in accordance with the provisions of the Board of Directors' Rules and Regulations.*

*The Board member who completes his term or for any other reason ceases to hold his office may not be a director or hold executive positions in another entity having a corporate purpose similar to that of the Company for a period of two years. If it deems it appropriate, the Board of Directors may relieve the outgoing member of this obligation, or shorten its duration."*

And for the appropriate legal purposes, the managing body of the Company has prepared this Report in Sabadell, on April 24, 2013.

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Mr. Joan Planes Vila

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Mr. Eloy Planes Corts

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Aniol, S.L., represented by  
Mr. Bernat Garrigós Castro

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Mr. Óscar Serra Duffo

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Mr. Richard Cathcart

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Mr. Bernardo Corbera Serra

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Mr. Juan Ignacio Acha-Orbea Echeverría

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Bansabadell Inversió Desenvolupament, S.A.,  
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Grupo Corporativo Empresarial de la Caja  
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