

Translation for information
purposes only



**REGULATIONS OF THE GENERAL SHAREHOLDERS'
MEETING OF FLUIDRA, S.A.**

June 8, 2011

P R E A M B L E

These Regulations are adopted by the Shareholders' Meeting of FLUIDRA, S.A. (hereinafter, the "Company") in accordance with the provisions of Article 512 of Legislative Royal Decree 1/2010, of July 2, 2010, approving the revised text of the Corporate Enterprises Law. These Regulations are intended to systemize and implement the rules governing the organization and operating procedure of the Shareholders' Meeting of the Company. Its ultimate aim is to facilitate the participation of the shareholders at the Shareholders' Meeting, promoting the transparency and publicity of the procedures for the preparation, assembly and conduct of the Shareholders' Meeting, specifying, developing and increasing the exercise of the voting rights of the shareholders of the Company in the most efficient manner possible.

Article 4. Classes of Shareholders' Meetings

Shareholders' Meetings may be Annual or Special.

The Annual Shareholders' Meeting shall necessarily assemble within the first six months of each financial year, in order to approve, as the case may be, corporate management, the previous years' financial statements and resolve on the allocation of results, without prejudice to its competence to discuss and decide on any other matter included on the agenda.

Any Shareholders' Meeting other than that contemplated in the above paragraph shall be deemed a Special Shareholders' Meeting and shall assemble whenever it is called by the Board of Directors of the Company, on its own initiative or at the request of shareholders holding, at least, five per cent of the share capital, stating in their request the matters to be discussed at the meeting.

Article 5. Matters within the competence of the Shareholders' Meeting

The Shareholders' Meeting shall have competence to decide on any matters for which are vested in it by law or under the bylaws. In addition, those decisions that, regardless of their legal nature, entail an essential modification of the actual activity of the Company shall be submitted to the Shareholders' Meeting for approval or ratification. Particularly, this to imply no limitation, it shall have competence to:

- a) Approve, as the case may be, the corporate management, the financial statements, both individual and consolidated and to resolve on the allocation of results.
- b) Approve and remove the members of the managing body, and to ratify or revoke the appointment of members of the Board of Directors by co-opting.
- c) Appoint, re-elect and remove the auditors of the Company.
- d) Resolve the increase and reduction of share capital and the delegation to the Board of Directors of the power to increase capital.
- e) Approve the elimination or limitation of the preemptive subscription right
- f) Resolve the issuance of debentures and other negotiable securities, convertible or otherwise, and to delegate the power for their issuance to the Board of Directors.
- g) Resolve the merger, spin off and re-registration in different corporate form of the Company and, in general, any amendment to the Bylaws.
- h) Resolve the dissolution and liquidation of the Company and transactions having an effect equal to the liquidation of the Company.
- i) Approve the acquisition or disposal of essential operation assets, where this entails an actual

modification of the corporate purpose.

- j) Decide on the matters submitted to it by the managing body for deliberation and approval.
- k) Approve these Regulations and their subsequent amendments.
- l) Authorize the Board of Directors to increase the share capital as provided for in Article 297.1.b of the Corporate Enterprises Law, and also to confer power to exclude the pre-emptive subscription right in issuance of shares that may be delegation, on the terms and meeting the requirements established by the Law.
- m) Authorize the derivative acquisition of treasury shares.
- n) Establish the remuneration of the Directors as provided for in the Bylaws, and to decide on the application of remuneration systems consisting of the delivery of shares or rights over shares, and any other remuneration system using the value of the shares as a reference, regardless of the beneficiary of such remuneration systems.
- o) Authorize transactions entailing a structural modification of the Company.

Article 6. Call for Shareholders' Meetings

Without prejudice to the provisions of the Corporate Enterprises Law relating to the Shareholders' Meeting held on consent and judicial calling of Shareholders' Meetings, Shareholders' Meetings shall be called by the managing body on the dates or within the periods determined in the Law and in these Bylaws.

The managing body shall call the annual Shareholders' Meeting for it to be held necessarily within the first six months of each financial year. The annual Shareholders' Meeting shall be validly assembled even it was called or held outside the term established for the purpose.

The managing body shall also call the meeting:

- (i) whenever it is deemed necessary or appropriate in the interests of the Company;
- (ii) where so requested by shareholders holding, at least, five per cent of the share capital, skating in the request the matters to be discussed at the Shareholders' Meeting. In such event, the Shareholders' Meeting shall be called to be held within the month following the date on which the managing body was requested, through a notary public, to call it. In addition, the managing body shall include on the agenda the item(s) to discuss which the call for the meeting was requested; or
- (iii) where a public takeover but for securities issued by the Company is launched, to inform the Shareholders' Meeting of such takeover bid and to discuss and decide on the matters submitted to its consideration.

If the annual Shareholders' Meeting is not called within the period established by law or in these Bylaws, it may be requested, at the request of the shareholders and, after granting the members of the managing body a hearing, by the commercial court pertaining to the registered office of the Company, which shall designate the person to preside over the Shareholders' Meeting. The special Shareholders' Meeting shall be called in the same manner, whenever so requested by the number of shareholders contemplated in the preceding paragraph.

Article 7. Notice of call

Both Annual and Special Shareholders' Meetings shall be called in accordance with the provisions of the legislation in force, at least one month in advance of the date set for the

meeting to be held, other than in those events in which the law establishes a longer term. The managing body shall assess the possibility of circulating the notice of call in a larger number of means for social communication.

The call notice shall indicate the name of the Company, whether the shareholders' meeting is annual or special, the place of the meeting, the date and time of the Shareholders' Meeting at first call, as well as the agenda containing all of the business to be transacted. In addition, the notice of call may place on record the date on which the Shareholders' Meeting will assemble, if appropriate, at second call. At least twenty-four hours shall be allowed to elapse between the meeting to be held at first call and that to be held at second call. To the extent possible, the shareholders shall be advised on whether it is more probable for the Shareholders' Meeting to be held at first or at second call.

The notice of call shall record clearly and precisely all the matters to be discussed.

The notice of call shall also mention the right of the shareholders to be represented at the Shareholders' Meeting by another person, who need not be a shareholder, and the requirements and procedures for exercise of such right, and the right of information of the shareholders and the procedure for its exercise.

The managing body shall record in the notice of call the specific means of remote communication that may be used by the shareholders to exercise or delegate their voting rights and the instructions that should necessarily be followed for the purpose.

Shareholders representing, at least, five per cent of the share capital, may request that a supplement to the notice of call for the Shareholders' Meeting be published, including one or more items on the agenda. Such right shall be exercised through a notification made in a duly attested manner which shall be received at the registered office within five days after the publication of the notice of call.

The supplement to the notice of call shall be published at least fifteen days in advance of the date established for the Shareholders' Meeting.

Failure to publish the supplement to the notice of call within the statutory term shall be an event of nullity of the Shareholders' Meeting.

The Company shall send the notice of call for the Shareholders' Meeting to the Spanish National Securities Market Committee, all the above in compliance with legislation applicable in each case.

The Board of Directors may request the presence of a Notary Public to attend the Shareholders' Meeting and draw up minutes of the meeting. It shall do so in the events established by the Law.

If the Shareholders' Meeting, duly called, is not held at first call, and if the notice of call does not contemplate the date for the meeting to be held at second call, such call shall be announced, meeting the same publicity requirements as the first, within fifteen days after the date of the Shareholders' Meeting not held and eight days in advance of the date of the meeting.

Article 8. Making information available from the date of the notice of call in the web page of the Company.

In addition to the requirements established by law or under the Bylaws and to the provisions of these Regulations, from the date of publication of the notice of call for the Shareholders' Meeting, the Company shall public in its web page the full text of the proposals of resolutions hat the managing body already made relating to the items on the agenda, and the reports that are compulsory or that may be established by the managing body.

Additionally, the web page of the Company shall record, from the date of the notice of call any information deemed useful or advisable to facilitate the attendance and participation of the shareholders at the Shareholders' Meeting, including, but not limited to, that set forth below:

- (i) Procedure to obtain the attendance card.
- (ii) Instructions to exercise or delegate remote voting through the means contemplated, if appropriate, in the notice of call.
- (iii) Information on the place where the Shareholders' Meeting will be held and the manner to reach and access it.
- (iv) Information, if appropriate, on systems or procedures that facilitate the follow up of the Shareholders' Meeting.
- (v) Information on the manner in which the shareholder may exercise his right to information (ordinary mail, e-mail and, if appropriate, other similar data transmission systems).
- (vi) If the Shareholders' Meeting is to discuss the appointment or ratification of directors, after the date of publication of the notice of call for the meeting, the following information shall also be published in the web page of the Company:
 - Professional and biographic profile.
 - Other relevant Boards of Directors to which the director belongs, whether of listed company or otherwise.
 - Indication of the class of director, as appropriate, stating, in the case of nominee directors, the shareholders he represents or with whom he is related.
 - Date of the first appointment of the director to director of the company, and subsequent appointments.
 - Shares of the company and stock options over them held by the director.

In accordance with the provisions of Article 528 of the Corporate Enterprises Law, the Company shall maintain, on its website, an Electronic Shareholders' Forum, which may be accessed, with the due safeguards, by both individual shareholders and any voluntary associations that may be created, in order to facilitate the communication of information prior to the holding of Shareholders' Meetings.

Article 9. Right to information prior to the holding of the Shareholders' Meeting

From the date of publication of the notice of call for the Shareholders' meeting until the seventh day prior to that established for the Shareholders' Meeting to be held, both days included, the shareholders may request the Board of Directors, relating to the matters included on the agenda, for any information or clarification they deem necessary, or raise in writing the questions they deem relevant.

In addition, within the same term in advance and in the same manner, the shareholders may request information or clarification or raise questions in writing on the information accessible by the public furnished by the Company to the Spanish National Securities Market Committee after the last Shareholders' Meeting was held. The Board of Directors shall furnish in writing the information requested until the date on which the Shareholders' Meeting is held.

Requests for information may be made by delivering the request at the registered office, or by sending it to the Company by ordinary mail or other electronic communication means at the address set forth in the respective notice of call or, in the absence of such specification, at the Shareholders' Office. Requests in which the electronic document by virtue of which the information is requested includes the recognized electronic signature used by the applicant, or other procedures that, by a resolution previously adopted to such effect, that the Board of Directors considers have adequate guarantees of authenticity and identification of the shareholder exercising his right to information shall be admitted as such.

Regardless of the procedure used to issue requests for information, the request made by the shareholder shall state his name and surnames, evidencing the shares he holds, for such information to be verified with the list of shareholders and the number of shares in his name furnished by the company responsible for their book entry, for the Shareholders' Meeting in question. The shareholder shall be responsible for evidencing that the request has been sent to the Company in due form and time. The web page of the Company shall set forth the relevant explanations for exercise of the right to information of the shareholder, as provided for by applicable legislation.

The requests for information regulated in this article shall be answered, after the identity and shareholder status of the applicant have been evidenced, prior to the Shareholders' Meeting.

The directors are obligated to furnish the information in writing, until the date on which the Shareholders' Meeting is held, other than in those events in which:

- (i) the publicity of the requested data may damage the interests of the Company, in the opinion of the Chairman;
- (ii) the request for information or clarification does not refer to matters included in the agenda or to information accessible by the public and furnished by the Company to the Spanish National Securities Market Committee after the last Shareholders' Meeting was held;
- (iii) the request for information or clarification made is deemed abusive, this to mean that relating to information (i) that is or was the subject matter of a penalizing court or administrative proceeding, (ii) that is protected by commercial or industrial secrecy of industrial or intellectual property, (iii) that involves the confidentiality of the personal data and records, (iv) the disclosure of which is prohibited by a confidentiality commitment assumed by the Company or (v) that refers to any other matter that in the reasonable opinion of the Chairman should be considered as such, without prejudice to the provisions of Article 197 of the Corporate Enterprises Law; or
- (iv) this is established by legal provisions or regulations or court decisions.

Notwithstanding the above, the exception contemplated in paragraph (i) above shall not apply where the request is supported by shareholders representing, at least, one quarter of the capital.

The Board of Directors may empower any of its members, the Chairmen of the delegated committees of the Board, or its Secretary or Deputy Secretary to answer, for and on behalf of the Board, the requests for information made by the shareholders.

The procedure to provide the information requested by the shareholders shall be the same as that through which the respective request was made, unless the shareholder establishes for the purpose another procedure from among those stated as suitable pursuant to this article. In any case, the directors may send the information in question through a letter sent by registered mail return receipt requested or by bureaufax.

The Company may include in its web page information relating to the answers made to the shareholders to the questions they raised exercising their right to information contemplated herein.

Article 12. Representation

Without prejudice to the attendance of corporate shareholders through the person having power to represent them, any shareholder having the right to attend may attend Shareholders' Meetings represented by any person, who need not be a shareholder of the Company.

Proxies shall always be revocable and the personal attendance of the shareholder at the Shareholders' Meeting shall be deemed a revocation. As a general rule and provided that the certainty of the date may be evidenced, the last action performed by the shareholder prior to the Shareholders' Meeting shall be deemed to be valid. Without such certainty, the vote of the shareholder shall prevail over the delegation. In any event, the personal attendance of the shareholder at the Shareholders' Meeting shall be deemed a revocation of the proxy.

Proxies shall be conferred specifically for each Shareholders' Meeting, in writing or through any remote means of communication the use of which was provided for by the managing body expressly in the notice of call, provided that the requirements contemplated in such notice of call are met and, in any case, the identity of the shareholder and of the proxy is duly guaranteed.

Without prejudice to Article 187 of the Corporate Enterprises Law, proxies, which shall be special for each Shareholders' Meeting, shall be appointed in writing.

The only valid remote means of communication shall be correspondence by ordinary mail, remitting to the Company the attendance card issued by the entity(s) responsible for book entries duly signed and completed by the shareholder or any other written procedure that, in the opinion of the Board of Directors expressed in a prior resolution adopted for the purpose, permits the identity of the shareholder appointing the proxy and that of the proxy to be duly verified.

Proxies appointed by correspondence sent by mail, to be valid, shall have to be received by the Company prior to twenty-four hours on the date preceding that established for the Shareholders' Meeting to be held at first call. The Board of Directors may establish a shorter term in compliance with the Bylaws.

In addition, the documents recording the appointment of proxies for Shareholders' Meetings, shall include at least the following statements:

- (i) Date on which the Shareholders' Meeting is to be held and its agenda.
- (ii) Identity of the represented shareholder and of his proxy. If not specified, it shall be

deemed that either the Chairman of the Board, or the chief executive officer or the Secretary of the Board of Directors, or any other member of the managing body that may be established especially in each notice of call for the purpose, has been appointed as proxy.

- (iii) Number of shares held by the shareholder appointing the proxy.
- (iv) Instructions as to the manner in which the shareholder appointing the proxy is to vote on each of the items on the agenda.

The Chairman of the Shareholders' Meeting or the persons appointed through his mediation shall be deemed to be empowered to establish whether the proxies have been validly appointed and whether the requirements to attend the Shareholders' Meeting are met.

The provisions of the above paragraphs shall not apply where the proxy is the spouse, forebear or descendant of the represented shareholder or where the proxy holds a general power of attorney conferred in a public deed with powers to manage the entire equity of the represented shareholder in Spanish territory.

Article 13. Public request for representation

In those events in which the directors of the Company, the depositories of the securities or the entities responsible for book entry request representation for themselves or for another and, in general, whenever the request is made publicly, the procedure established by the Corporate Enterprises Law and implementing legislation shall apply. Particularly, the document recording the appointment of the proxy shall contain, in addition to the statements contemplated in Article 12 above, the statement of the manner in which the proxy is to vote if no precise instructions are given, subject always to the provisions of the Law.

It shall be deemed that a public request for representation has been made where a single person represents more than three shareholders.

Article 15. Assembly of the Shareholders' Meeting. Special events

The Shareholders' Meeting shall be validly assembled, at first call, where the shareholders present in person or by proxy hold, at least, twenty-five per cent of the subscribed voting capital. At second call, the Shareholders' Meeting shall be validly assembled regardless of the capital present.

In order for the Shareholders' Meeting, whether annual or special, to validly resolve on the increase or reduction of capital and any other amendment to the bylaws, the issue of debentures, the elimination or limitation of the preemptive right to subscribe new shares, the change in legal form, merger, spin-off or transfer *en bloc* of assets and liabilities, the relocation of the registered office abroad, and, the dissolution by simple resolution of the Shareholders' Meeting, it shall be necessary, at first call, for shareholders to be present in person or by proxy holding, at least, fifty per cent of the subscribed voting capital. At second call, the attendance of twenty-five per cent of said capital shall suffice although, where shareholders are present representing less than fifty per cent of the subscribed voting capital, the resolutions contemplated in this paragraph may only be validly adopted with the vote in favor of two thirds of the capital present or represented at the Shareholders' Meeting.

Absences after the Shareholders' Meeting has assembled shall not affect the validity of its assembly.

Article 22. Right to information during the Shareholders' Meeting

During the addresses, any shareholder may request orally any information or clarification he

deems necessary on the matters included on the agenda. For such purpose, he shall have identified himself in advance as provided for in Article 20 above.

The directors shall be obligated to furnish the requested information as provided for in the above paragraph in the manner and within the terms contemplated by the Law, other than in those events in which:

- (i) its publication could damage the interests of the Company, in the opinion of the Chairman;
- (ii) the request for information or clarification does not refer to matters included on the agenda;
- (iii) the requested information or clarification is unnecessary to form an opinion on the matters submitted to the Shareholders' Meeting or, for any reason, should be deemed abusive meaning that it is related to information (i) that is or was the subject matter of a penalizing court or administrative proceeding, (ii) that is protected by commercial or industrial secrecy of industrial or intellectual property, (iii) that involves the confidentiality of the personal data and records, (iv) the disclosure of which is prohibited by a confidentiality commitment assumed by the Company or (v) that refers to any other matter that in the reasonable opinion of the Chairman should be considered as such, without prejudice to the provisions of Article 197 of the Corporate Enterprises Law; or
- (iv) this is established by legal provisions or regulations or court decisions.

Notwithstanding the above, the exception contemplated in paragraph (i) above shall not apply where the request is supported by shareholders representing, at least, one quarter of the capital.

The requesting information or clarification shall be furnished by the Chairman or, as appropriate, on his instructions, by the chief executive officer, the Chairmen of the Board committees, the Secretary or the Deputy Secretary, any director or, if appropriate, any employee or expert on the matter. The Chairman shall establish in each case and according to the requested information or clarification, whether it is most advisable for the adequate operation of the Shareholders' Meeting to make answers individually or grouped by subject matter.

Should it be impossible to satisfy the right of the shareholder at the Shareholders' Meeting, the directors shall provide in writing the information requested from the interested shareholder within the seven days following that on which the Shareholders' Meeting ended.

Article 25. Voting of the proposed resolutions

After the addresses of the shareholders have concluded and, if appropriate, the information or clarification requested has been provided as provided for in these Regulations, the proposals of resolutions on the matters on the agenda and, if any, those others that by law need not be included in the agenda, shall be submitted to ballot, the Chairman to decide in respect of the latter the order in which they will be submitted to ballot.

It shall be unnecessary for the Secretary to read in advance proposals of resolutions the wording of which was made available to the shareholders at the commencement of the meeting, other than in those events in which, for all or any of the proposals, this is requested by any shareholder or is otherwise deemed advisable by the Chairman. In any event, the attendees shall be informed of the item on the agenda to which the proposal of resolution that is submitted to ballot refers.

The Shareholders' Meeting shall vote separately those matters that are materially independent,

for the shareholders to be able to exercise their voting preferences separately. Such procedure shall particularly apply: (i) to the appointment or ratification of directors, which shall be individually voted; (ii) in the event of amendments to the Bylaws, to each article or group of articles that is materially independent.

The process for the adoption of resolutions shall be conducted following the agenda contemplated in the notice of call. The proposals of resolutions made by the Board of Directors shall be submitted to ballot firstly. In any event, after each proposal of resolution is approved, the rest relating to the same matter and incompatible with it shall be automatically deemed rejected and shall therefore not be submitted to ballot.

As a general rule, without prejudice to the fact that, in the opinion of the Chairman, given the circumstances or the nature or content of the proposal, other alternative systems may be used, the votes of the proposals of resolutions shall be computed subject to the following procedure:

- (i) Votes in favor shall be deemed to be those of all the shares present at the meeting, in person and represented, after deducting (a) votes on shares the holders or representatives of which state that they vote against, vote blank or refrain from voting, reporting or stating their vote or abstention to the notary public (or, in his absence, to the Secretary or to the personnel assisting him), for this to be placed on record in the minutes, (b) votes corresponding to shares the holders of which votes against, voted blank or expressly stated their abstention, through the means of communication referred to in article 24, as appropriate, and (c) votes corresponding to shares the holders or representatives of which abandoned the meeting prior to the voting of the proposal of resolution in question and placed such abandonment on record before the Notary Public (or, in his absence, the Secretary or the personnel assisting him).
- (ii) Notices or statements to the notary public (or, in his absence, to the Secretary or personnel assisting him) contemplated in the above paragraph relating to the vote in favor or against or abstention may be made individually in respect of each of the proposals of resolutions or jointly for some or all of them, informing the notary public (or, in his absence, the Secretary or personnel assisting him) of the identity and status – shareholder or representative – of the person making them, the number of shares to which they refer and whether the vote is in favor or against or, as appropriate, the abstention.
- (iii) For the adoption of resolutions relating to items not included in the agenda, shares of shareholders who attended the Shareholders' Meeting through remote voting procedures shall not be deemed to be shares present or represented. For the adoption of any of the resolutions contemplated in article 114.1 of the Securities Market Law and article 514 of the Corporate Enterprises Law, shares in respect of which voting rights cannot be exercised due to the application of said provision shall not be deemed to be represented or present.

Article 27. Minutes of the Shareholders' Meeting

The resolutions adopted at the Shareholders' Meeting shall be recorded in minutes which shall be drawn up or transcribed in the minutes book kept for the purpose. The minutes may be approved by the Shareholders' Meeting and, failing this, within a term of fifteen days, by the Chairman and two shareholder tellers, one representing the majority and the other representing the minority.

The corporate resolutions may be implemented as from the date of approval of the minutes in which they are recorded.

The managing body may request the presence of a notary public to draw up the minutes of

the Shareholders' Meeting and shall be obligated to do so whenever so requested, five days in advance of the date on which the Shareholders' Meeting is to be held, by shareholders representing, at least, one per cent of the capital.

The minutes drawn up by the notary public shall be deemed to be the minutes of the Shareholders' Meeting and need not be approved by it.