

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

This Report is issued by the board of directors of Fluidra, S.A. in compliance with article 286 of the Restated Corporations Law, approved by Legislative Royal Decree 1/2010, of July 2 (the “**Corporations Law**”) and with article 29 of the General meeting’s rules and regulations (the “**Regulations**”), to support the proposal for amendment to the bylaws (consisting of the amendment of articles 25, 30, 41, 44, 48, 54 and 60 of the bylaws) and the proposal for amendment of the Regulations (consisting of the amendment of articles 6, 7, 8, 9, 12, 22, 25 and 26) which are submitted for consideration and, if fitting, approval, to the annual shareholders meeting called to be held on June 6, 2012, at 12:30 h., at first and single call, making up items seven and eight on the agenda.

1. Grounds of the proposals for amendment

Due to the amendments made to the Corporations Law (i) by Law 25/2011, of August 1, for partial reform of the Corporations Act and implementation of Directive 2007/36/EC of the European Parliament and the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies (“**Law 25/2011**”) and (ii) by Royal Decree-Law 9/2012 of March 16, for simplification of information and documentation on mergers and spin offs of corporations (“**RDL 9/2012**”), the board of directors of the Company has considered it appropriate to propose to the annual shareholders’ meeting the amendment of certain articles of the corporate bylaws and of the Regulations, for the following purposes:

- (i) to adapt the bylaws and the Regulations to the recent legislative amendments made by said provisions of the Corporations Law; and
- (ii) to make certain technical and drafting improvements.

After mentioning the main objectives of the proposed amendment, an explanation is provided below of the proposed amendments for each of the articles of the bylaws and of the Regulations that would be amended:

1.1 Proposal for amendment of the bylaws

- a. The proposal for amendment of article 25 of the bylaws, relating to the call for the shareholders' meeting, has the following purpose:
 - (1) To adapt the contents of the regulation of the term for the call to the provisions on the matter of article 7 of the Regulations, as the amendment thereof is proposed on the grounds explained in section 1.2 below.
 - (2) To contemplate the provisions of article 519 of the Corporations Law, relating to the right of the shareholders representing at least 5% of the share capital to submit new proposals of resolutions on matters already included or that should be included in the agenda of the called Shareholders' Meeting and to complete the agenda for Annual Shareholders' Meetings.
 - (3) To adjust the term to hold the shareholders' meeting on second call to article 177.3 of the Corporations Law.
 - (4) To adjust the term in which the Shareholders' Meeting should be held when requested by shareholders holding, at least 5% of the share capital in accordance to article 168 of the Corporations Law as restated.
- b. The proposal for amendment of article 30 of the corporate bylaws has the purpose of adapting its wording to new article 520 of the Corporations Law relating to the exercise of the shareholders' right to information.
- c. The proposal for amendment of article 41, second paragraph, of the bylaws has the purpose of adapting it to the new wording of article 246 of the Corporations Law, which entitles one third of the members of the board of directors to call it in certain events.
- d. The proposal of amendment of article 44 of the corporate bylaws has the purpose of improving the wording of said article to clarify that the establishment of remuneration systems for directors referred to the listed value of the shares or that imply the delivery of shares or of stock options is voluntary and not compulsory.

- e. The proposal for amendment of article 48 of the corporate bylaws has the purpose of contemplating the system established for the corporate web page in articles 11 bis and 539 of the Corporations Law.
- f. The proposal for amendment of article 54 of the bylaws relating to the auditors has the purpose of including the qualification made in article 264.1 of the Corporations Law relating to the appointment of the auditor by the shareholders' meeting.
- g. Lastly, the proposal for amendment of article 60 of the corporate bylaws, relating to the liquidation of the company, has the purpose of eliminating the requirement for the number of liquidators of the company to be appointed in an odd number, pursuant to article 376 of the Corporations Law.

In view of the above, articles 25, 30, 41, 44, 48, 54 and 60 of the corporate bylaws of the Company would be amended to be restated as established for each one of them in section 2 below of this report.

Lastly, to facilitate the comparison between the new wording of the articles of the bylaws that are amended and their previous wording, a transcription of the articles in effect to date is attached as **Schedule 1**, for informative purposes, in which the amendments decided are marked using track changes.

1.2 Proposal for amendment of the Regulations

- a. The proposal for amendment of article 6 of the Regulations, relating to the call for the Shareholders' Meeting, has the purpose of adjusting the term in which the Shareholders' Meeting should be held when requested by shareholders holding, at least, 5% of the share capital, in accordance with the new wording of article 168 of the Corporations Law in line with the amendment proposed to article 25 of the bylaws.
- b. The proposal of amendment of article 7 of the Regulations, relating to the notice of call has the following purposes:
 - (1) To improve the article technically by replacing the term "longer" by the term "different" since it refers to the fact that annual and special shareholders' meetings will be

called, at least, one month prior to the date established for it to be held, unless the law establishes a “different” term.

- (2) In addition, in line with the amendment proposed of article 25 of the Bylaws:
 - (i) To contemplate the provisions of articles 174 and 517 of the Corporations Law, relating to the notice of call for the shareholders’ meeting.
 - (ii) To contemplate the provisions of article 519 of the Corporations Law, relating to the right of the shareholders representing less than 5% of the share capital to submit new proposals of resolutions on items already included or that should be included in the agenda of the called Shareholders’ Meeting and to complete the agenda for Annual Shareholders’ Meetings.
 - (iii) To adjust the term to hold the shareholders’ meeting on second call to article 177.3 of the Corporations Law.
- c. The proposal for amendment of article 8 of the Regulations has the purpose, firstly, of contemplating the provisions of article 518 of the Corporations Law relating to the general information prior to the shareholders’ meeting that the Company must publish uninterruptedly in its web page and, secondly, of updating the reference made to former article 528 of the Corporations Law, current article 539 of said Law.
- d. The proposal for amendment of article 9 of the Regulations, relating to the right to information prior to the holding of the Shareholders’ Meeting, has the purpose of adapting its wording and contents to the amendments made by article 520 of the Corporations Law which regulates the exercise of the shareholders’ right to information, in line with the amendment proposed of article 30 of the bylaws.
- e. The proposal for amendment of article 22 of the Shareholders’ Meeting Regulations relating to the right to information while the Shareholders’ Meeting is held has the purpose once again of implementing article 520 of the Corporations Law, which regulates the exercise of the shareholders’ right to information,

in line with the amendment proposed of article 30 of the bylaws.

- f. The proposal for amendment of article 25 of the Regulations has the purpose of updating the reference to former article 514 of the Corporations Law, currently article 526 of said provision.
- g. Lastly, the proposal relating to article 26 of the Regulations, on the adoption of resolutions and conclusion of the Shareholders' Meeting has the following purposes:
 - (1) To improve the order of the article moving current paragraph three to the end of the article.
 - (2) To adapt the article to article 525.1 of the Corporations Law relating to the result of the voting on the resolutions of the Shareholders' Meeting.
 - (3) To incorporate article 525.2 of the Corporations Law which, after the amendments made by Law 25/2011, contemplates the publication in the web page of the resolutions approved by the Shareholders' Meeting and the result of the ballots within five days after the conclusion of the Shareholders' Meeting.

In view of the above, articles 6, 7, 8, 9, 22, 25 and 26 of the Regulation would be amended to be reworded as established for each one of them in section 3 below of this report.

Lastly, to facilitate the comparison of the new wording of the articles of the Regulation that it is proposed to amend and their current wording, a transcription of the articles of the Regulations in force in which the amendments proposed have been included marked as track changes, is attached as **Schedule 2** to this report.

2. Proposal for amendment of the bylaws

The board of directors submits to the annual shareholders' meeting for approval the proposal for a resolution to amend articles 25, 30, 41, 44, 48, 54 and 60 of the corporate bylaws, for them to be reworded as follows:

"Article 25. Calls to General Meetings

General Meetings shall be called by the Board of Directors as provided for by legislation in force, at least one month in advance of the date set for the meeting, other than in those events in which the law establishes a different term.

The call announcement shall state the name of the company, whether the meeting is ordinary or extraordinary, the date and time and place of the meeting, and all matters to be dealt with and other issues which, if any, are to be included in the meeting, according to the provisions of legislation in force and the General Meeting's Rules and Regulations.

It may also note the date on which the Meeting will meet at second call, if necessary. A period of at least twenty-four hours must elapse between the first and the second call.

Shareholders representing at least five percent of the share capital may ask that a supplement to the call of an Annual General meeting of shareholders be published that includes one or more items on the agenda, provided that the new items are accompanied by supporting grounds or, as the case may be, by a founded proposal for a resolution. In no event may such right be exercised in respect of the call for special shareholders' meetings. This right must be exercised by reliable notification that must be received at the Company's domicile within five days following publication of the call.

The call supplement must be published at least fifteen days in advance of the date set for the General Meeting.

Failure to publish the call supplement by the legally set deadline shall render the Meeting invalid.

Shareholders representing at least five per cent of the share capital may, within the same term established above to request the call supplement submit founded proposals for an agreement on matters already included or that should be included in the agenda for the called meeting. The Company shall ensure the dissemination of such proposals for a resolution and of the documentation that may be attached, among the rest of the shareholders, as provided for by the Law.

If the duly called General Meeting is not held at first call, and the announcement did not stipulate the date for the second call, the latter must be announced with the same notification requirements as for

the first, within fifteen days following the date of the Meeting not held, and at least ten days prior to the date of the meeting.

The administrative body must also call the Meeting:

- (i) whenever it considers this necessary or advisable in the interests of the company;*
- (ii) when so requested by shareholders holding at least five percent of the share capital, stating in the request the matters to be dealt with at the Meeting. In this case, the Meeting must be called within two months following the date on which the administrative body would have been required by notary to call it. The administrative body must also include in the agenda the matter or matters referred to in the request; or*
- (iii) when an offer to purchase is made on securities issued by the Company, in order to inform the General Meeting about the offer to purchase and to deliberate and decide on matters submitted for its consideration.*

With regard to a court-ordered call of the General Meeting, the provisions of law are valid.”

“Article 30. Right to information

From the date of publication of the call of the General Meeting and until the seventh day prior to the date of the Meeting, inclusive, shareholders may ask the Board of Directors for information or clarifications they consider necessary regarding matters included on the agenda, or may present in writing the questions they deem relevant.

Furthermore, in the same manner and time, shareholders may ask for information or clarifications or formulate questions in writing regarding information accessible to the public that may have been provided by the Company to the National Securities Market Commission since the last General Meeting was held.

The Board of Directors shall be obligated to provide the requested information in writing up until the date on which the General Meeting is held and on the auditor’s report.

During the Meeting, shareholders may ask orally for information or clarifications they deem appropriate regarding the matters included on the agenda, on the information accessible to the public that was

made available to the Spanish National Securities Market Commission after the last Shareholders' Meeting was held and on the auditor's report. The Board of Directors shall be obligated to provide that information at the time or, if this is not possible, must provide it in writing within seven days following the conclusion of the General Meeting.

The Directors are obligated to provide the information contemplated in this article, except in those cases in which:

- (i) public release of the requested information may, in the President's judgment, prejudice the Company's interests;*
- (ii) the request for information or clarification does not refer to matters included on the agenda nor to information available to the public that may have been provided by the Company to the National Securities Market Commission since the date of the last General Meeting or to the auditor's report;*
- (iii) the request for information or clarification should be considered unauthorised, meaning that it is related to information which (i) has been or is subject to any judicial or administrative sanction proceeding, (ii) is protected by commercial, industrial, industrial-or intellectual-property secrecy, (iii) affects the confidentiality of information and files of a personal nature, (iv) involves information whose release is prohibited by a confidentiality agreement made by the Company, or (v) refers to any other matter which in the justified judgment of the President should not be released, without prejudice to that set forth in article 197 of the Spanish Corporations Law;*
- (iv) legal or regulatory provisions or court decisions so state; or*
- (v) where, before the respective question is raised, the requested information is clear and directly available to all the shareholders in the web page of the Company in question-answer format.*

However, the exception indicated in subparagraph (i) above shall not be admissible when the request is supported by shareholders representing at least one-fourth of the capital."

"Article 41. Meetings of the Board of Directors

The Board of Directors shall ordinarily meet a minimum of six times a year, and in any case as often as required to perform its functions, following the schedule of dates and matters established at the start

of the year; each Board member may propose other agenda items not initially provided for if said request is made no less than five days before the date set for holding the meeting.

The Board may also meet at the initiative of the Chairman, whenever the latter deems it opportune for the proper functioning of the Company and when at least two of its members so request, in which case it shall be called by the Chairman to meet within fifteen days after the request. Directors making up at least one third of the Board members may call a Board meeting, stating its agenda, for it to be held in the town where the company has its registered office, if the Chairman is requested to call it but fails to do so within a term of one month.

Ordinary meetings shall be called by certified letter, fax, telegram or e-mail and shall be authorised by the signature of the Chairman or of the Secretary or Deputy Secretary by order of the Chairman. The call shall be issued at least five days in advance.

The call shall always include the agenda for the meeting and shall be accompanied by the relevant information, duly prepared and summarised.

Without prejudice to the foregoing, the Board of Directors shall be considered validly constituted, with no need for a call, if all its members, present or represented, unanimously agree to the meeting and to the items to be dealt with on the agenda. “

“Article 44. Compensation for Board members

- 1. The Directors’ remuneration shall consist of a fixed, specific annual emolument and of a fee for attending the meetings of the Board of Directors and of its delegational and consulting committees. The maximum amount of the remunerations which the Company may pay to the Directors as a whole for both items shall be determined for such purpose by the Shareholders’ Meeting and shall remain in force until such time as the Shareholders’ Meeting decides to modify it. The exact amount to be paid within that limit, the distribution thereof amongst the different Directors and the payment schedule shall be determined by the Board of Directors in the proportion which it freely determines. When determining the amount of remuneration to be received by each Director, the principle shall be applied whereby the amount is to reflect the actual professional performance of each of them.*

2. *Additionally, apart from the remuneration provided for in the preceding paragraph, the Company may plan to establish remuneration systems which are indexed to the market value of the shares or which entail the delivery of shares or of stock option to the Directors. The application of such remuneration systems shall be decided on by the Shareholders' Meeting, which shall determine, as the case may be, the value of the shares to be taken as a reference, the number of shares to be delivered to each Director, the exercise price of the stock options, the duration of this remuneration system and any other conditions it deems appropriate.*
3. *The remuneration established in the preceding paragraphs derived from the Directors' membership on the Board of Director shall be compatible with the other professional or employment items received by the Directors for any executive or advisory functions they may perform for the Company other than those relating to supervision and collective decision-making specific to their office as Directors, and which shall be subject to the legal regime applicable to them."*

"Article 48. Corporate Web page

1. *The Company shall have available a corporate web page for the shareholders to exercise their right to information and to disseminate all relevant information required by securities market legislation.*
2. *The content and structure of the Company's Web page shall be adapted to legal provisions and other legislation relating to this area applicable at the time.*
3. *The address of the web page of the Company shall be www.fluidra.com*
4. *The amendment, relocation or cancellation of the web page may be decided by the Board of Directors.*
5. *Pursuant to article 539 of the Corporations Law, an Electronic Forum for Shareholders shall be enabled in the web page of the Company, to which both individual shareholders and voluntary associations that they may organize may access with all due safeguards, to facilitate their communication prior to the holding of General Meetings."*

“Article 54. Account auditors

The Annual Accounts and the annual report must be prepared by the account auditors, when there is an obligation to audit. The auditors shall have a minimum of one month from the moment that the Company turned over the accounts to them to prepare their report.

The persons who are to audit the annual accounts shall be appointed by the General Meeting before the end of the fiscal year to be audited, for an initial period of time which may not be less than three years nor greater than nine from the date on which the first year to be audited begins, without prejudice to the provisions of legislation regulating the audit of accounts in respect of the possibility of extension.

The Meeting may appoint one or more natural or legal persons who shall act jointly.

When those designated are natural persons, the Meeting must appoint as many alternates as regular auditors.

The General Meeting may not remove auditors from office before the period for which they were appointed ends, unless there is just cause.”

“Article 60. Winding-up

Once the Company is dissolved, the winding-up period shall begin, except in cases of merger or complete division or any other complete transfer of assets and liabilities.

The same General Meeting deciding to dissolve the company shall set the bases for wind-up, which shall be conducted by the receivers appointed for this purpose by the General Meeting.

Once the Company declares itself in liquidation, representation of the administrative body for making new contracts or contracting new obligations shall cease; the receivers shall assume the functions referred to in articles 383 et seq of the Corporations Law.

Winding-up, division of the Company’s assets and cancellation of registration shall be conducted according to the Corporations Law and the Rules and Regulations of the Companies Register.

During the wind-up period, the General Meeting shall retain the same powers as during the Company's normal life and in particular shall have the power to approve liquidation accounts and the final liquidation balance sheet."

3. Proposal of amendments to the Regulations

The board of directors submits to the annual shareholders' meeting for approval the proposal of resolution of amendment of articles 6, 7, 8, 9, 22, 25 and 26 of the Regulations, for them to be reworded as set forth below:

"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 two months 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 different term.

The managing body shall assess the possibility of circulating the notice of call in a larger number of means for social communication than those set forth in the law in force.

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, the office held by the person(s) making the call, the agenda containing all of the business to be transacted, the date on which the shareholder must have registered in its name the shares to be able to participate and vote at the shareholders’ meeting, the place and manner in which the full text of the documents and proposals of resolution may be obtained, the address of the corporate web page where the information will be available and any other statements required by law, as the case may be.

It shall also include the shareholders’ right to information and the manner in which it may be exercised and the right to include items on the agenda and to submit proposals of resolution, and the term for exercise. Where it is placed on record that more detailed information on such rights may be found in the corporate web page, the notice may merely record the term for exercise.

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 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.

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 Annual Shareholders' Meeting be published including one or more items on the agenda, provided that the new items are accompanied by grounds or, as appropriate a founded proposal for a resolution. Such right may never be exercised in respect of the call for special shareholders' meetings. 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.

Shareholders representing at least five per cent of the share capital may, within the aforementioned term to request call supplements, submit founded proposals for a resolution on matters already included or to be included on the agenda of the called shareholders' meeting. The Company shall ensure the dissemination of such proposals for a resolution and of the documentation that may be attached, among the rest of the shareholders, as provided for by the Law.

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 ten 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.

Without prejudice to the provisions of legislation in force from time to time, after the date of publication of the notice of call for the Shareholders' Meeting, the Company shall publish uninterruptedly in its corporate web page the following documents:

- (i) the notice of call;*
- (ii) the total number of shares and voting rights on the date of the notice of call, with a breakdown by classes of shares, if any;*
- (iii) the documents to be submitted to the Shareholders' Meeting and, particularly, the reports of the directors, auditors and independent experts.*
- (iv) the full text of the proposals of resolutions or, should none exist, a report issued by the responsible bodies, discussing each of the items on the agenda. As these are received, proposals for resolutions submitted by shareholders shall also be included;*
- (v) the forms to be used for vote by proxy and mail, unless these are sent directly by the Company to each shareholder. If they cannot be published in the corporate website for technical reasons, the Company shall state in the website the manner in which hardcopy forms may be obtained to be sent to any shareholder who so requests.*

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) Information on the place where the Shareholders' Meeting will be held and the manner to reach and access it.*
- (ii) Information, if appropriate, on systems or procedures that facilitates the follow up of the Shareholders' Meeting.*
- (iii) 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 539 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 and on the auditor's report.

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 contemplated in this article 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 or the auditor's report;*
- (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;*
- (iv) where, prior to the raising of the respective question, the requested information is clear and directly available to all the shareholders on the corporate web page of the Company in question-answer format; or*
- (v) 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 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 or on the information accessible to the public and made available to the Spanish National Securities Market Committee after the last Shareholders’ Meeting held and on the auditor’s report. 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 or the information accessible to the public that may have been made available by the Company to the Spanish National Securities Committee after the last Shareholders’ Meeting or to the auditor’s report;*
- (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;

- (iv) this is established by legal provisions or regulations or court decisions; or*
- (v) where, prior to the raising of the respective question, the information requested is clear and directly available to all the shareholders on the web page of the Company in question-answer format.*

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 established 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 al 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 526 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 26.- Adoption of resolutions and conclusion of the Shareholders' Meeting

The resolutions shall be approved where the votes in favor of the proposal exceed one half of the votes on the attending shares, present and represented, other than in those events in which the Law or the Bylaws require a higher majority. In resolutions relating to matters not included on the agenda, shares not considered to be present or represented shall be excluded from the base for computation of the aforementioned majority.

For financial brokers who appear lawfully as shareholders but who act on behalf of different clients to be able to cast their votes on the instructions of such clients, the Company shall permit the vote to be fractioned.

The Chairman shall declare the resolutions to have been approved where he has record of the existence of sufficient votes in favor, without prejudice to placing on record in the Minutes whether the shareholders who so request from the notary public (or, as appropriate, the Secretary or personnel assisting him) cast their votes in favor or against or refrain from voting.

For each resolution submitted to ballot of the Shareholders' Meeting, at least the number of shares in respect of which valid votes were cast, the proportion of share capital represented by such votes, the total number of valid votes, the number of votes in favor and of votes against of each resolution and, as the case may be, the number of abstentions, shall be established.

After the ballot on the proposals for resolutions has been completed and the result has been proclaimed by the Chairman, the Shareholders' Meeting shall end and the Chairman shall adjourn the meeting.

The resolutions approved and the results of the ballots shall be published in full in the corporate web page within five days after the conclusion of the shareholders' meeting."

On the basis of the above considerations, the board of directors of Fluidra, S.A. signs, for the appropriate legal purposes, this Report which will be available to the shareholders at the registered office of the company after the date of publication of the notices of call for the annual shareholders' meeting.

In Sabadell, on April 25, 2012

Mr. Joan Planes Vila

Mr. Eloy Planes Corts

Mr. Bernat Garrigós Castro

Mr. Óscar Serra Duffo

Mr. Bernardo Corbera Serra

Bansabadell Inversió
Desenvolupament, S.A., represented
by Mr. Carlos Ventura Santamans

Mr. Richard Cathcart

Mr. Kam Son Leong

Mr. Juan Ignacio Acha-Orbea Echevarria Grupo Corporativo Empresarial de la Caja de Ahorros y Monte de Piedad de Navarra, S.A. sole-shareholder company, represented by Mr. Eduardo López Milagro

Schedule 1
**Comparison between the proposed wording and the current wording of
the articles of the bylaws reviewed in the Report**

“Article 25. Calls to General Meetings

General Meetings shall be called by the Board of Directors as provided for by legislation in force, at least one month in advance of the date set for the meeting, other than in those events in which the law establishes a different term.

The call announcement shall state the name of the company, whether the meeting is ordinary or extraordinary, the date and time and place of the meeting, and all matters to be dealt with and other issues which, if any, are to be included in the meeting, according to the provisions of legislation in force and the General Meeting’s Rules and Regulations.

It may also note the date on which the Meeting will meet at second call, if necessary. A period of at least twenty-four hours must elapse between the first and the second call.

Shareholders representing at least five percent of the share capital may ask that a supplement to the call of an Annual General meeting of shareholders be published that includes one or more items on the agenda, provided that the new items are accompanied by supporting grounds or, as the case may be, by a founded proposal for a resolution. In no event may such right be exercise in respect of the call for special shareholders’ meetings. This right must be exercised by reliable notification that must be received at the Company’s domicile within five days following publication of the call.

The call supplement must be published at least fifteen days in advance of the date set for the General Meeting.

Failure to publish the call supplement by the legally set deadline shall render the Meeting invalid.

Shareholders representing at least five per cent of the share capital may, within the same term established above to request the call supplement submit founded proposals for an agreement on matters already included or that should be included in the agenda for the called meeting. The Company shall ensure the dissemination of such proposals for a resolution and of the documentation that may be attached, among the rest of the shareholders, as provided for by the Law.

If the duly called General Meeting is not held at first call, and the announcement did not stipulate the date for the second call, the latter must be announced with the same notification requirements as for the first, within fifteen days following

the date of the Meeting not held, and ~~eight~~ at least ten days prior to the date of the meeting.

The administrative body must also call the Meeting:

- (i) whenever it considers this necessary or advisable in the interests of the company
- (ii) when so requested by shareholders holding at least five percent of the share capital, stating in the request the matters to be dealt with at the Meeting. In this case, the Meeting must be called within ~~one month~~ two months following the date on which the administrative body would have been required by notary to call it. The administrative body must also include in the agenda the matter or matters referred to in the request; or
- (iii) when an offer to purchase is made on securities issued by the Company, in order to inform the General Meeting about the offer to purchase and to deliberate and decide on matters submitted for its consideration.

With regard to a court-ordered call of the General Meeting, the provisions of law are valid.”

“Article 30. Right to information

From the date of publication of the call of the General Meeting and until the seventh day prior to the date of the Meeting, inclusive, shareholders may ask the Board of Directors for information or clarifications they consider necessary regarding matters included on the agenda, or may present in writing the questions they deem relevant.

Furthermore, in the same manner and time, shareholders may ask for information or clarifications or formulate questions in writing regarding information accessible to the public that may have been provided by the Company to the National Securities Market Commission since the last General Meeting was held and on the auditor’s report.

The Board of Directors shall be obligated to provide the requested information in writing up until the date on which the General Meeting is held

During the Meeting, shareholders may ask orally for information or clarifications they deem appropriate regarding the matters included on the agenda, on the information accessible to the public that was made available to the Spanish National Securities Market Commission after the last Shareholders’ Meeting was held and on the auditor’s report. The Board of Directors shall be obligated to provide that information at the time or, if this is not possible, must provide it in writing within seven days following the conclusion of the General Meeting.

The Directors are obligated to provide the information ~~in writing up until the date on which the General Meeting is held~~contemplated in this article, except in those cases in which:

- (i) public release of the requested information may, in the President's judgment, prejudice the Company's interests;*
- (ii) the request for information or clarification does not refer to matters included on the agenda nor to information available to the public that may have been provided by the Company to the National Securities Market Commission since the date of the last General Meeting or to the auditor's report;*
- (iii) the request for information or clarification should be considered unauthorised, meaning that it is related to information which (i) has been or is subject to any judicial or administrative sanction proceeding, (ii) is protected by commercial, industrial, industrial- or intellectual-property secrecy, (iii) affects the confidentiality of information and files of a personal nature, (iv) involves information whose release is prohibited by a confidentiality agreement made by the Company, or (v) refers to any other matter which in the justified judgment of the President should not be released, without prejudice to that set forth in article 197 of the Spanish Corporations Law; ~~or~~*
 - (iv) (iv)—legal or regulatory provisions or court decisions so state; or*
 - (v) where, before the respective question is raised, the requested information is clear and directly available to all the shareholders in the web page of the Company in question-answer format.*

However, the exception indicated in subparagraph (i) above shall not be admissible when the request is supported by shareholders representing at least one-fourth of the capital.”

“Article 41. Meetings of the Board of Directors

The Board of Directors shall ordinarily meet a minimum of six times a year, and in any case as often as required to perform its functions, following the schedule of dates and matters established at the start of the year; each Board member may propose other agenda items not initially provided for if said request is made no less than five days before the date set for holding the meeting.

The Board may also meet at the initiative of the Chairman, whenever the latter deems it opportune for the proper functioning of the Company and when at least two of its members so request, in which case it shall be called by the Chairman to meet within fifteen days after the request. Directors making up at

least one third of the Board members may call a Board meeting, stating its agenda, for it to be held in the town where the company has its registered office, if the Chairman is requested to call it but fails to do so within a term of one month.

Ordinary meetings shall be called by certified letter, fax, telegram or e-mail and shall be authorised by the signature of the Chairman or of the Secretary or Deputy Secretary by order of the Chairman. The call shall be issued at least five days in advance.

The call shall always include the agenda for the meeting and shall be accompanied by the relevant information, duly prepared and summarised.

Without prejudice to the foregoing, the Board of Directors shall be considered validly constituted, with no need for a call, if all its members, present or represented, unanimously agree to the meeting and to the items to be dealt with on the agenda.”

“Article 44. Compensation for Board members

1. The Directors’ remuneration shall consist of a fixed, specific annual emolument and of a fee for attending the meetings of the Board of Directors and of its delegational and consulting committees. The maximum amount of the remunerations which the Company may pay to the Directors as a whole for both items shall be determined for such purpose by the Shareholders’ Meeting and shall remain in force until such time as the Shareholders’ Meeting decides to modify it. The exact amount to be paid within that limit, the distribution thereof amongst the different Directors and the payment schedule shall be determined by the Board of Directors in the proportion which it freely determines. When determining the amount of remuneration to be received by each Director, the principle shall be applied whereby the amount is to reflect the actual professional performance of each of them.
2. Additionally, apart from the remuneration provided for in the preceding paragraph, the Company ~~plans~~may plan to establish remuneration systems which are indexed to the market value of the shares or which entail the delivery of shares or of stock option to the Directors. The application of such remuneration systems shall be decided on by the Shareholders’ Meeting, which shall determine, as the case may be, the value of the shares to be taken as a reference, the number of shares to be delivered to each Director, the exercise price of the stock options, the duration of this remuneration system and any other conditions it deems appropriate.

3. *The remuneration established in the preceding paragraphs derived from the Directors' membership on the Board of Director shall be compatible with the other professional or employment items received by the Directors for any executive or advisory functions they may perform for the Company other than those relating to supervision and collective decision-making specific to their office as Directors, and which shall be subject to the legal regime applicable to them.*

“Article 48. Corporate web page

1. ~~The Company shall make available to the public on its Web page~~have available a corporate web page for the shareholders to exercise their right to information and to disseminate all relevant information relating to its corporate governance required by securities market legislation.

2. The content and structure of the Company's Web page shall be adapted to legal provisions and other legislation relating to this area applicable at the time.

3. The address of the web page of the Company shall be www.fluidra.com

4. The amendment, relocation or cancellation of the web page may be decided by the Board of Directors.

5. Pursuant to article ~~528~~539 of the Corporations Law, an Electronic Forum for Shareholders shall be enabled in the web page of the Company, to which both individual shareholders and voluntary associations that they may organize may access with all due safeguards, to facilitate their communication prior to the holding of General Meetings.”

“Article 54. Account auditors

The Annual Accounts and the annual report must be prepared by the account auditors, when there is an obligation to audit. The auditors shall have a minimum of one month from the moment that the Company turned over the accounts to them to prepare their report.

The persons who are to audit the annual accounts shall be appointed by the General Meeting before the end of the fiscal year to be audited, ~~for a set~~an initial period of time which may not be less than three years nor greater than nine from the date on which the first year to be audited begins, without prejudice to the provisions of legislation regulating the audit of accounts in respect of the possibility of extension.

The Meeting may appoint one or more natural or legal persons who shall act jointly.

When those designated are natural persons, the Meeting must appoint as many alternates as regular auditors.

The General Meeting may not remove auditors from office before the period for which they were appointed ends, unless there is just cause.”

“Article 60. Winding-up

Once the Company is dissolved, the winding-up period shall begin, except in cases of merger or complete division or any other complete transfer of assets and liabilities.

The same General Meeting deciding to dissolve the company shall set the bases for wind-up, which shall be conducted by ~~an uneven number of~~ the receivers appointed for this purpose by the General Meeting.

Once the Company declares itself in liquidation, representation of the administrative body for making new contracts or contracting new obligations shall cease; the receivers shall assume the functions referred to in articles 383 et seq of the Corporations Law.

Winding-up, division of the Company’s assets and cancellation of registration shall be conducted according to the Corporations Law and the Rules and Regulations of the Companies Register.

During the wind-up period, the General Meeting shall retain the same powers as during the Company’s normal life and in particular shall have the power to approve liquidation accounts and the final liquidation balance sheet. “

Schedule 2

Comparison between the proposed wording and the current wording of the articles of the Regulations reviewed in the Report

“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~~two months 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~~different term.

The managing body shall assess the possibility of circulating the notice of call in a larger number of means for social communication than those set forth in the law in force.

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 office held by the person(s) making the call,~~ the agenda containing all of the business to be transacted, the date on which the shareholder must have registered in its name the shares to be able to participate and vote at the shareholders' meeting, the place and manner in which the full text of the documents and proposals of resolution may be obtained, the address of the corporate web page where the information will be available and any other statements required by law, as the case may be.

It shall also include the shareholders' right to information and the manner in which it may be exercised and the right to include items on the agenda and to submit proposals of resolution, and the term for exercise. Where it is placed on record that more detailed information on such rights may be found in the corporate web page, the notice may merely record the term for exercise.

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 Annual Shareholders' Meeting be published, including one or more items on the agenda, provided that the new items are accompanied by grounds or, as

appropriate a founded proposal for a resolution. Such right may never be exercised in respect of the call for special shareholders' meetings. 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.

Shareholders representing at least five per cent of the share capital may, within the aforementioned term to request call supplements, submit founded proposals for a resolution on matters already included or to be included on the agenda of the called shareholders' meeting. The Company shall ensure the dissemination of such proposals for a resolution and of the documentation that may be attached, among the rest of the shareholders, as provided for by the Law.

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 ~~eighteen~~ eighteen 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 Without prejudice to the provisions of these Regulations, legislation in force from time to time, after the date of publication of the notice of call for the Shareholders' Meeting, the Company shall public in its web page publish uninterruptedly in its corporate web page the following documents:~~

- (i) the notice of call;
- (ii) the total number of shares and voting rights on the date of the notice of call, with a breakdown by classes of shares, if any;

- (iii) the documents to be submitted to the Shareholders' Meeting and, particularly, the reports of the directors, auditors and independent experts.
- (iv) the full text of the proposals of resolutions ~~that 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~~ or, should none exist, a report issued by the responsible bodies, discussing each of the items on the agenda. As these are received, proposals for resolutions submitted by shareholders shall also be included;
- (v) the forms to be used for vote by proxy and mail, unless these are sent directly by the Company to each shareholder. If they cannot be published in the corporate website for technical reasons, the Company shall state in the website the manner in which hardcopy forms may be obtained to be sent to any shareholder who so requests.

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.~~
- (i) ~~(iii)~~ Information on the place where the Shareholders' Meeting will be held and the manner to reach and access it.
- (ii) ~~(iv)~~ Information, if appropriate, on systems or procedures that facilitates 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).
- (iii) ~~(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~~539 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 and on the auditor's report.

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 contemplated in this article 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 or the auditor's report;*
- (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;*
- (iv) where, prior to the raising of the respective question, the requested information is clear and directly available to all the shareholders on the corporate web page of the Company in question-answer format; or*
- (v) ~~(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 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 or on the information accessible to the public and made available to the Spanish National Securities Market Committee after the last Shareholders’ Meeting held and on the auditor’s report. 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 or the information accessible to the public that may have been made available by the Company to the Spanish National Securities Committee after the last Shareholders’ Meeting or to the auditor’s report;*
- (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; or*

(v) where, prior to the raising of the respective question, the information requested is clear and directly available to all the shareholders on the web page of the Company in question-answer format.

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~~526 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 26.- Adoption of resolutions and conclusion of the Shareholders’ Meeting

The resolutions shall be approved where the votes in favor of the proposal exceed one half of the votes on the attending shares, present and represented, other than in those events in which the Law or the Bylaws require a higher majority. In resolutions relating to matters not included on the agenda, shares not considered to be present or represented shall be excluded from the base for computation of the aforementioned majority.

For financial brokers who appear lawfully as shareholders but who act on behalf of different clients to be able to cast their votes on the instructions of such clients, the Company shall permit the vote to be fractioned.

The Chairman shall declare the resolutions to have been approved where he has record of the existence of sufficient votes in favor, without prejudice to placing on record in the Minutes whether the shareholders who so request from the notary public (or, as appropriate, the Secretary or personnel assisting him) cast their votes in favor or against or refrain from voting.

For each resolution submitted to ballot of the Shareholders’ Meeting, at least the number of shares in respect of which valid votes were cast, the proportion of share capital represented by such votes, the total number of valid votes, the number of votes in favor and of votes against of each resolution and, as the case may be, the number of abstentions, shall be established.

After the ballot on the proposals for resolutions has been completed and the result has been proclaimed by the Chairman, the Shareholders’ Meeting shall end and the Chairman shall adjourn the meeting.

The resolution approved and the results of the ballots shall be published in full in the corporate web page within five days after the conclusion of the shareholders’ meeting.”