

**APPENDIX I (STANDARD COPY)
ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS
AT LISTED COMPANIES**

**IDENTIFICATION DETAILS OF THE
ISSUER**

DATE OF END OF BASELINE BUSINESS YEAR 2014

TAX ID. A-17728593

Company name: Fluidra S.A.

Registered office: : Avenida Francesc Macià 60, planta 20, 08208, Sabadell

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS AT LISTED COMPANIES

A COMPANY POLICY ON REMUNERATION IN THE CURRENT BUSINESS YEAR

A.1 Explain the company's remuneration policy. This section should include Information about:

- The general principles and features of the remuneration policy.
- The most significant changes made to the remuneration policy as compared to the previous year, as well as any modifications made during the year to the terms and conditions for exercising stock options that have already been granted.
- The Criteria used for establishing the company's remuneration policy.
- The relative importance of the variable salary components in comparison with fixed components and the criteria followed to calculate the various components of directors' remuneration package (mixed remuneration).

Explain the remuneration policy

Article 44 of the Articles of Association of the Company, in its current version, reads as follows:

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 could 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.

It is planned to amend the aforementioned article of the Articles of Association in order to adapt it to Act 31/2014, dated 3rd December, which amends the Capital Companies Act for the improvement of corporate governance, which shall read as follows:

1. The remuneration of the Directors shall consist of an annual fixed and determined amount and an allowance for attendance of the meetings of the Board of Directors and its advisory and representative Committees. The maximum amount of the annual remuneration that the Company may pay to all of the Directors acting in this capacity for both purposes shall be that determined for this purpose by the Shareholders' General Meeting, which

shall remain in force until this body amends it. Unless the Shareholders' General Meeting determines otherwise, the establishment of the exact amount to be paid within this limit and its distribution between the different Directors, as well as the schedule of payments, shall be the responsibility of the Board of Directors, in the proportion that it freely determines. For the determination of the amount of the remuneration to be received by each of the Directors, the criteria used shall be that the amount should be a reflection of the actual professional performance of each of them and must take into account the duties and responsibilities attributed to each Director and their membership of committees of the Board of Directors.

2. Additionally and apart from the remuneration contemplated in the preceding paragraph, remuneration systems may be established that are linked to the share price or that involve giving shares or stock options to the Directors. The application of these remuneration systems must be decided by the Shareholders' General Meeting. The resolution of the General Meeting must include the maximum number of shares that can be assigned in each business year to this remuneration system, the value of the shares that is taken as a reference, the number of shares to be given to each Director, the price of exercise or the system for the calculation of the price of exercise of the stock options, the period of duration of this remuneration system and any other conditions that are considered appropriate.

3. The remuneration envisaged in the preceding paragraphs, resulting from membership of the Board of Directors, must be compatible with any other professional or labour income that the Directors receive for any other executive or consulting duties that they may carry out for the Company apart from those of supervision and decision related to their capacity as Directors, which shall be subject to the legal regime that is applicable.”

At present, there is only one executive director at the Company, Mr Eloy Planes Corts, who was appointed as CEO at the Board meeting held on October 1, 2006, and renewed in the post in date June 8, 2011. Additionally, Mr Planes holds the office of General Manager of the Company.

Although Mr Eloy Planes Corts is a member of the managing bodies of other Group companies he does not receive any compensation in this respect.

Mr Eloy Planes Corts within the framework of his commercial contractual relationship with the Company as its CEO, which are in addition to the compensation to which he is entitled as a member of the Company's Board of Directors, is compounded by a Fix and a Variable Remuneration.

The payment of the variable remuneration, which is explained in section A.4., is linked to three economic performance indicators used to assess the Group.

Additionally, Mr. Eloy Planes is entitled to other statutory compensations paid to members of the Board of Directors of FLUIDRA and Benefits in kind which are detailed further below. There is also a variable pluriannual or Long Term Incentive that is explained in the section A.4. of the document.

In comparison with previous years the remuneration policy has not been changed significantly except what is commented in corresponding sections of the current report.

A.2 Information about all of the groundwork and the decision-making process that has been followed to set the remuneration policy and the role played, if applicable, by the Appointments and Compensation Committee and other monitoring bodies involved in setting the remuneration policy. This information must include, if applicable, the term of office of the Appointments and Compensation

Committee, its members and the identity of external advisors whose services have been engaged to decide on the remuneration policy. Likewise, the characteristics of the directors, if applicable, who have been involved in defining the remuneration policy should also be described.

Explain the process for setting the remuneration policy

The composition, powers and workings of Appointments and Compensation Committee are contained in Article 14 of the Board Regulations which, with its current text, establish as follows:

Composition

The Committee will be formed by a minimum of three nonexecutive directors, mostly of an independent nature, who will be appointed by the Board of Directors, without prejudice to the attendance of executive directors or senior executives when the members of the Committee expressly so resolve.

The Chairman of the Committee will necessarily be an independent director, elected from among the nonexecutive directors, and he must be replaced every four years. The Chairman can be re-elected once a period of one year has elapsed since the date of his standing down. The Committee Secretary will be chosen from among the Committee members.

However, it is planned to amend the aforementioned article of the Regulations of the Board of Directors in order to adapt it to Act 31/2014, dated 3rd December, which amends the Capital Companies Act for the improvement of corporate governance, which shall read as follows:

1. *“Likewise, an Appointments and Compensation Committee shall be created within the Board of Directors, made up of a minimum of 3 non-executive directors, at least two of which must be independent directors, which shall be appointed by the Board of Directors, without prejudice to the attendance of executive directors or senior executives when this is expressly resolved by the members of the Committee. The members of the Appointments and Compensation Committee shall be designated taking into account their knowledge, skills and experience as well as the scope of the Committee. Any director may ask the Committee to take into account potential candidates to cover vacancies for directors if they consider them suitable.*

2. *The Chairman of the Appointments and Compensation Committee must be an independent director, chosen from amongst the independent directors that form part of it. The duties of Secretary of the Committee shall be carried out by the person appointed from amongst its members.”*

At present, the Appointments and Compensation Committee is composed by:

First and last names	Office	Appointment date
Richard J. Cathcart	Chairman	8/29/2013
ANIOL (Mr Bernat Garrigós Castro)	Member*	9/ 17/2007
Oscar Serra	Member	12/2/2014

Juan Ignacio Acha	Member	10/31/2014
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() Holding the office of Committee Secretary*

Functions

Without prejudice to any other functions that may be conferred by Law or by the Company's Board of Directors, according to the current version of its Regulations,, the Committee has the following basic responsibilities:

(1) Devise and review the rules to be followed in determining the composition of the executive team of the Company and its subsidiaries and for the selection of candidates.

(2) Evaluate the competencies, knowledge and experience needed on the Board, consequently defining the functions and abilities needed of the candidates to fill each vacancy, and evaluate the time and dedication required for them to successfully perform their brief.

(3) Report and refer to the Board such appointments and removals of senior executives and executives as may be proposed by the CEO, in order for the Board to proceed to designate new ones.

(4) Report to the Board on the issues regarding the diversity of the gender and qualifications of directors, as established in Article 6.2 of the Board Regulations (definitions of the different classes of director).

(5) Propose to the Board: (i) the compensation policy for directors and senior executives; (ii) the individual compensation of executive directors and their other contractual terms and conditions; (iii) hiring policies and the basic terms and conditions of the contracts for senior executives of the Company.

(6) Scrutinize or arrange, in such way as is deemed adequate, for the succession of the Chairman and of the CEO and, if appropriate, make proposals to the Board in order for such succession to take place in an orderly and well-planned way.

(7) Ensure that the compensation policy established by the Company is observed and that the compensation paid is transparent.

(8) For optional performance of its functions, the Committee may seek the advice of outside experts as and when it deems this to be necessary.

However, it is planned to amend the aforementioned article of the Regulations of the Board of Directors in order to adapt it to Act 31/2014, dated 3rd December, which amends the Capital Companies Act for the improvement of corporate governance, which shall read as follows.

Without prejudice to other duties that may be assigned to it by Law, the Articles of Association or the Board of Directors, the Appointments and Compensation Committee has the following basic responsibilities:

- *To formulate and review the criteria that should be followed for the composition of the management team of the Company and its subsidiaries and for the selection of candidates.*
- *To evaluate the skills, knowledge and experience necessary in the Board and therefore, to define the duties and responsibilities necessary for the candidates that shall cover each vacancy, and to evaluate the time and dedication required so that they can properly carry out their duties.*
- *To inform and submit to the Board of Directors the proposals for the appointments and dismissals of senior executives and executives that the chief executive proposes, as well as the basic conditions of their contracts.*
- *To inform the Board about the matters related to gender diversity and the Directors' qualifications mentioned in article 6.2 of these Regulations.*
- *It shall propose to the Board of Directors: (i) the remuneration policy for the directors and the CEOs or whoever else carries out the duties of senior executives reporting directly to the Board of Directors, the Executive Committee or the managing directors; (ii) the individual remuneration of the executive directors and any other conditions of their contracts; (iii) the hiring policies and the basic conditions of the contracts of the Company's senior executives.*
- *To examine and organise, as it sees fit, the succession of the Chairman and of the chief executive and, if appropriate, to make proposals to the Board so that this succession occurs in an orderly and well-planned way.*
- *To ensure the observance of the remuneration policy established by the Company and the transparency of the remuneration.*
- *To establish a target for representation of the least-represented sex in the Board of Directors and establish guidelines regarding how to reach this objective.*
- *To submit to the Board of Directors the proposals for the appointment of independent directors for their designation by cooptation or for their submission to the decision of the AGM, as well as the proposals for the re-election or dismissal of these directors by the AGM.*

To report the proposals for the appointment of the remaining directors for their designation by cooptation or for their submission to the decision of the AGM, as well as the proposals for their re-election or dismissal by the AGM.

Meetings

The Committee will ordinarily meet each quarter. It will also meet whenever its Chairman calls a meeting, which must happen whenever the Board or its Chairman requests a report to be produced or proposals to be adopted and, in any case, whenever it proves necessary for the successful performance of its functions. In 2014, the Committee has met six times. For 2015, the Committee is expected to meet five times.

Main aspects scheduled for 2015

In addition to reviewing all aspects relating to its basic responsibilities, as described above, in 2015 the Appointments and Compensation Committee will focus its activities on the following aspects:

- Assessment of the professional performance of the CEO, 2015 objectives, compensation review.
- Review and follow-up of the Incentive Plan 2015, and design and establishment of Plan 2016.
- Review and establishment of the Long Term Incentive Plan. Termination

current Plan LTI 2013-2015 and definition and establishment new LTI 2015-2020 for Key Managers named G-30.

- Review and establishment of the compensation plan of the Board 2015
- Follow-up of the action plan as a result of the Board's self-assessment.
- Inspection of the criteria to follow for the composition of the Group's management team.
- To report and submit to the Board of Directors the proposals for appointments and dismissals of executives that the chief executive proposes.
- To propose to the Board of Directors the remuneration policy for the CEOs or whoever else carries out senior executive duties reporting directly to the Board, the Executive Committee or the managing directors, as well as the hiring policies and the basic conditions of their contracts.
- Monitoring of the talent management plan.

A.3 State the amounts and the nature of the fixed components, with a breakdown, if applicable, of the remuneration paid to executive directors for performing their duties as senior managers, the additional remuneration paid to the chairperson and to the members of any of the Board's committees, the attendance fees paid for sitting on the Board and any of its committees, and any other fixed remuneration paid to directors, in addition to an estimate of the fixed annual remuneration paid out. Describe any other benefits that are not paid in cash and the basic parameters for granting them.

Explain the fixed components of remuneration

At present, there is only one executive director at the Company, Mr Eloy Planes Corts, who was appointed as CEO at the Board meeting held on October 1, 2006, and renewed in the post in date June 8, 2011. Additionally, Mr Planes holds the office of General Manager of the Company.

Although Mr Eloy Planes Corts is a member of the managing bodies of other Group companies he does not receive any compensation in this respect.

For 2015 at the proposal of the Appointments and Compensation Committee, the Company's Board of Directors decided to set the financial and professional conditions to which Mr Eloy Planes Corts is entitled within the framework of his commercial contractual relationship with the Company as its CEO, which are in addition to the compensation to which he is entitled as a member of the Company's Board of Directors.

His Fixed Remuneration for 2015 is 250,000 euros.

Mr Eloy Planes Corts is entitled to attendance fees and other remuneration paid to members of the Board of Directors of FLUIDRA as a result of attending Board

meetings.

In 2015, he is entitled a remuneration of 83,000 euros (which can be broken down into 75,000 euros in his capacity as a Director, 8,000 euros in attendance fees as a Board member).

Compensation system for nonexecutive directors

In 2015 the remuneration of the members of the Board of Directors has been redistributed due to their duty as such as the Managing Committee has been removed and the dedication of the directors to the board and its different committees has increased.

The compensation entitled to receive by the nonexecutive directors of the Company in 2015 for their membership of the Board of Directors and of the various Committees at the Company, Appointments and Compensation Committee, and Audit Committee, is as follows:

Remuneration BoD 2015					
Director	Fixed rem.	Attendance fees	Appments. & Compensation Committee	Audit Committee	Total
	BoD				
Joan Planes*	110,000	8,000		8,000	126,000
Bernat Corbera	75,000	8,000		8,000	91,000
Oscar Serra	75,000	8,000	8,000		91,000
ANIOL	75,000	8,000	8,000		91,000
BIDSA	75,000	8,000		8,000	91,000
Richard Cathcart (1)(2)	75,000	18,500	10,000		103,500
Juan Ignacio Acha	75,000	8,000	8,000	8,000	99,000
Gabriel López (2)	75,000	8,000		10,000	93,000
Total	635,000	74,500	34,000	42,000	785,500

* Chairman of the Board

(1) He receives a higher amount than the rest of the members of the Board since he does not reside in Spain.

(2) The amount that they receive for their participation on the Appointments and Audit Committees is higher than the rest of the members of the mentioned Committees because they are the Presidents of each one of these Commissions.

Employee welfare systems. The Company has not assumed any obligation or commitment whatsoever in relation to pensions, retirement or the like with nonexecutive directors.

There are no other compensation systems for nonexecutive directors or share-based incentive systems in which the nonexecutive directors participate.

A.4 Describe the amounts, nature and main characteristics of the variable components in your remuneration schemes.

Specifically:

- A breakdown all of the remuneration schemes of which directors are beneficiaries,

their scope, date of approval, date of implementation, period of validity and main characteristics. In the case of stock option schemes and other financial instruments, the general characteristics described must include information about the terms and conditions in each scheme for exercising these stock options or financial instruments.

- A description of any remuneration paid in profit sharing or bonus share schemes, and the reason why they were granted.
- An explanation of the basic parameters and the features of any annual bonus schemes that may be in place.
- The types of directors (executive directors, outside proprietary directors, outside independent directors and other external directors) who are the beneficiaries of remuneration schemes or plans that include variable remuneration.
- The features of these variable remuneration schemes or plans, the performance assessment criteria chosen, as well as the components and assessment methods used to calculate whether or not these assessment criteria have been met and an estimate of the total amount of the variable remuneration to be paid according to the current remuneration scheme, based on the degree to which the benchmark performance criteria and goals have been met.
- If applicable, information must be given about any deferred payment periods that have been established and/or any mandatory holding periods for stock or other financial instruments that may be in place.

Explain the variable components in your remuneration schemes

According to Mr Planes' contract, he receives annual variable gross compensation linked to the fulfilment of several objectives related to the budget established by the Board for each fiscal year. This variable remuneration represents 50% on the basis of 100 of his fixed compensation for executive functions.

The 85% of payment of the variable remuneration is linked to three economic performance indicators used to assess the Group: Free Cash-Flow, Net Income on Sales, and total Growth in Sales. The attainment scale used ranges from the payment of 40% of the variable remuneration if the minimum levels set for each indicator are reached to a maximum of 200% if the maximum values set for each indicator are reached. The 15% left is linked to management objectives.

The Company's AGM held on 4 of June 2014 renewed the 2013-2015 Long Term Incentive Plan addressed to the CEO and certain directors. Its main aims are as follows:

- To devise a long-term remuneration policy for senior management that is sustainable in the long run.
- To ensure that senior management acts in line with the interests of the shareholders.
- To favour the generation of the value of the Company in the long term, on the basis that senior management has a particularly strong influence on the Company's strategy and results.
- To motivate and build up the loyalty of senior management by linking part of their remuneration to the constant addition of value to the Company.

The creation of a system based on the annual handover of a certain number of stock options, whose conversion in shares is anticipated after three years have elapsed, means that part of the remuneration of senior management is linked to the constant addition of value.

The Plan will be articulated in the following instruments: a portion of the incentive will be implemented by awarding a certain number of restricted stock units (RSUs), which shall be settled in Company shares after three years; the other portion of the incentive will be awarded in stock appreciation rights (SARs), exchangeable for shares after three years.

The beneficiaries of the Plan are the CEO of the Company and the employees

in the executive team belonging to the Group's Executive Committee who have a length of service at the Group of six months, and are expressly invited to take part in all or some of the cycles of the Plan. Subsequent to tabling a proposal with the Appointments and Compensation Committee, the Board of Directors may approve the addition of new beneficiaries to the Plan throughout the Plan term.

The Plan consist of three (3) cycles, each lasting three (3) years. The definition of each cycle is determined by reference to an award date and a value measurement date as described in the rules of the Plan.

The date of concession of the RSUs and the SARs in each of the cycles will be as follows:

- First cycle: 15 July 2013
- Second cycle: 15 July 2014
- Third cycle: 15 July 2015

Each of the cycles in the Plan is subject to an assessment period, during which the increase in value of Fluidra's share price is measured. The outcome determines the final amount of the incentive derived from SARs.

The assessment period for calculating RSUs is the vesting time that must pass prior to their conversion into shares.

The vesting period for stock in each of the cycles in the Plan is three (3) years to be counted from beginning of each of the cycles, which are scheduled as follows:

- First cycle: from 15 July 2013 to 15 July 2016
- Second cycle: from 15 July 2014 to 15 July 2017
- Third cycle: from 15 July 2015 to 15 July 2018

An initial reference share price will be set for the concessions granted in each cycle. This initial reference share price will be used to measure the increase in share prices, which in turn is used to calculate the bonuses to be paid out from the SARs. The increase will be calculated based on the average weighted price of Fluidra shares in the thirty (30) trading days prior to each concession date. A final reference price will likewise be established for each cycle that will correspond to the average weighted share price in the thirty (30) trading days prior to the end of the vesting period of each of the cycles.

The date of settlement of the RSUs and SARs and the corresponding handover of the shares will take place within fifteen (15) working days following the end of the share vesting period.

Once the share vesting period of each of the cycles is over, the beneficiaries will receive one company share for each RSU held. In the case of SARs, the beneficiaries will receive the difference between the final reference share price and the initial reference share price multiplied by the number of SARs granted in company shares.

In each cycle, a certain number of RSUs and SARs will be allotted to each beneficiary on an individual basis, as decided upon by the Board of Directors in line with the criteria set for this purpose by the Appointments and Compensation Committee. For the CEO the number of RSUs and SARs total granted Plan (2013-2015) will be 40,000 and 120,000 respectively.

It has been proposed to amend the Group's long-term remuneration policy, cancelling the Third Cycle of the aforementioned LTI (Long-Term Incentive) Plan and approving a new long-term incentive plan from 1st January 2015 onwards, for the key executives and executive directors of the Group, named G-30, with specific financial performance measures.

The purpose of the Plan is to incentive, motivate and retain the steering managers group, linking to the achievement of the Business Plan at medium and long term, and allow to align the interests of the eligible managers with the stakeholder's ones, as well as offer them a competitive remuneration according to best compensation salary practices of the market and the Group's new organisation and strategy. The basic conditions of the Plan are as follows:

- a) Aim of the plan. The aim of the Plan is to achieve the greatest possible degree of motivation and loyalty of its beneficiaries, whereby part of their

remuneration is linked to the Company's share price.

b) Instrument. The Plan will be implemented by awarding a certain number of performance stock units (PSUs), which are paid out as Company shares after a certain amount of time has elapsed, provided Fluidra attains certain strategic goals and the set requirements in the Plan's Regulations are met.

Notwithstanding the foregoing, with the objective of promoting loyalty and keeping the key executives, regarding the beneficiaries who are non executive directors, the Board of Directors may decide that a percentage of the granted PSU, which may be between the 15 per 100 and the 25 per cent, will be converted into shares of the Company if the commitment to stay in is fulfilled.

c) Beneficiaries. The beneficiaries of the Plan will be the members of the Fluidra's management team and of those of its subsidiaries that belong to the consolidated group, as decided by the Board of Directors, on the recommendation of the Appointments and Compensation Committee, including directors with an executive role.

The initial estimated number of beneficiaries, subject to the final decision taken by the Board of Directors, on the recommendation of the Appointments and Compensation Committee, will be 36. To this end, Fluidra's AGM appointed its CEO, Eloy Planes, as a beneficiary of the Plan.

However, the Board of Directors may, on the recommendation of the Appointments and Compensation Committee, agree to include new beneficiaries not initially appointed.

The beneficiaries' acceptance of the Plan will be voluntary.

d) Maximum number of PSUs to be awarded and shares to be distributed.

The maximum number of PSUs to be awarded in the framework of the Plan will be 2,161,920.

Therefore, a maximum total of 2,161,920 Company shares will be distributed under the Plan, namely, 1.92% of the Company's share capital.

Notwithstanding the foregoing, the number of units to be awarded to each beneficiary and the final number of shares included in the Plan will be decided by the Company's Board of Directors, on the recommendation of the Appointment and Compensation Committee.

e) Term. The Plan will be introduced on 1 January 2015 and end on 31 December 2018, although the actual payout will not be made until January 2019.

However, the Plan will be officially implemented today.

f) Case-by-case allocation. The beneficiaries of the Plan will be allocated the number of PSUs allocated to them on a case-by-case basis by the Board of Directors, on the recommendation of the Appointments and Compensation Committee, in line with the following formula:

$$N.PSU = IT/PA_I$$

Where,

N.PSU is the number of PSUs allocated to each beneficiary.

IT is the target benchmark amount based on the beneficiary's professional category and salary.

PA_I is the Company's average listed share price, rounded to the second decimal place at the close of the stock market 30 days prior to 1 January 2015.

The Board of Directors, on the recommendation of the Appointments and Compensation Committee may allocate further PSUs, add new beneficiaries and increase the number of units initially awarded to the beneficiaries, except in the case of the members of the Board of Directors with executive functions, who will be awarded more PSUs, should they merit them, by the AGM.

Fluidra's AGM has decided to award Eloy Planes 171,233 PSUs.

The maximum number of shares authorised for distribution provided for in section d) above takes into account the number of shares needed so that more PSUs can be allocated to new beneficiaries or so that beneficiaries who have already been awarded PSUs can be allocated new ones.

The case-by-case allocation referred to above will be made for the sole purpose of calculating the award of PSUs and does not confer shareholder status on the beneficiaries or any other entitlements linked to this status. Furthermore, the units and the rights that go with them will be granted on an *intuitu personae* basis and, therefore, may not be transferred to third parties.

g) Calculation of the number of shares to be distributed at the time of the payout of the Plan. The number of shares to be distributed at the time of the payout of the Plan will be calculated using the following formula:

$$\mathbf{N.A. = N.PSU \times (\%_p + \%_{of} GCI)}$$

Where,

- **N.A.** = the number of Fluidra shares to be given to each beneficiary on the date of the Plan's payout, rounded by default to the nearest whole number.
- **N.PSU** = the number of PSUs allocated to each beneficiary.
- **%_p** = percentage of PSU granted convertible into shares if the commitment to stay is fulfilled.
- **%_{of}** = percentage of PSU granted convertible into shares if the financial strategic goals to which the Plan is linked to are reached.
- **GCI** = the degree to which incentives have been met, based on the number of targets linked to the Plan that have been reached, which will be calculated as established in section h) below.

Under no circumstances, even as a result of the application of the top weightings for calculating the targets reached, may the maximum number of shares to be distributed in the framework of the Plan as described in section d) above be exceeded.

h) Metrics. The degree to which incentives have been met will depend on the degree to which the financial targets linked to the Plan have been reached, as regards the percentage of PSU whose conversion into shares depends on such fulfilment.

The specific number of Fluidra shares to be given to each beneficiary at the time of the payout, as regards the PSU granted linked to the fulfilment of financial targets, provided the conditions to which it is subject have been fulfilled, will be established based on (i) the performance of Fluidra's total shareholder return (TSR) in absolute terms and (ii) the evolution of Fluidra's EBITDA or, in the case of those beneficiaries who fall in this category as decided by the Board of Directors, the EBIT of the subsidiary of Fluidra that the beneficiary manages.

The degree to which incentives have been met, as regards the percentage of PSU linked to the fulfilment of financial targets, will be calculated based on the following formula, subject to the weightings included in it:

$$\mathbf{GCI = 50\% \times C_{TSR} + 50\% C_{EBITDA/EBIT}}$$

Where,

- GCI** = the degree to which incentives have been met expressed as a percentage.
- CTSR** = the weighting reached in relation to the TSR target, in accordance with the scale set for it by the Board of Directors.
- CEBITDA/EBIT** = the weighting reached in relation to the EBITDA/EBIT target, in accordance with the scale set for it by the Board of Directors.

However, the Board of Directors may set a different percentage weighting for each metric, in respect of the 50% established in general terms.

The AGM has decided that the percentage weightings for Eloy Planes will be

set at 70% for the TSR target and 30% for the EBITDA target.

Both the TSR and the EBITDA/EBIT will be calculated during the period that the financial targets reached are measured, namely, the period falling between 1 January 2015 and 31 December 2017.

Requisites for the distribution of shares. The requisites that must be met for the distribution of shares under the Plan are as follows:

- As regards the PSU granted linked to the fulfilment of financial targets, the targets to which the Plan is linked must have been reached under the terms and conditions described herein and that will be set out in full in the Regulations of the Plan to be approved by the Board of Directors.
- As regards the total PSU granted, the beneficiary must have worked for Fluidra until the Plan comes to a close, except in special circumstances such as death, permanent disability, retirement and any other circumstances provided for in the Regulations, all of which must have been approved by Fluidra's Board of Directors. Therefore, in the case of voluntary resignation or fair dismissal the beneficiary will lose the right to receive shares in the framework of this Plan.

j) Granting of shares and disposal scheme. The shares granted as variable remuneration will either be given by Fluidra or a third party, subject to the payout schemes that the Board of Directors finally decides to adopt.

Once the shares have been distributed, executive directors may not dispose of more than the number of shares equivalent to twice their fixed annual remuneration. Notwithstanding the foregoing, this will not apply to the shares an executive director may have to dispose of, if applicable, to cover the costs associated with their acquisition, amongst which are the tax liabilities to which the granting of the shares may be subject.

k) Early termination or amendments to the Plan. The Plan may be subject to early termination or amendments in the case of a takeover if Fluidra's shares are no longer listed on a regulated market, or in the event that circumstances significantly affect the Plan, as decided by the Board of Directors.

l) Payout scheme. The time and manner in which the Plan's payout scheme is to be implemented will be decided by the Board of Directors, which has been granted specific powers to do so.

A.5 Describe the main characteristics of long-term savings schemes, including pension and any other survivor benefit plans, that are partially or totally funded by the company, whether paid internally or externally, with an estimate of the amounts involved or the equivalent annual cost. In the case of defined contribution or benefit plans, state the type of plan, the consolidation conditions of the benefit accrual to which directors are entitled and their compatibility with any other type of severance pay for the early termination or cancellation of the contractual relationship between the company and a director.

Also state the contributions paid to directors for defined contribution pension plans, or the increase in accrued benefits to which directors are entitled in the case of contributions to defined benefit plans.

Explain the long-term savings schemes

The Company has undertaken a commitment in favour of Mr Eloy Planes Corts in the event of his death or disability. The Company will be solely responsible for the payment of the following benefits, whose annual cost for the company is 9,685.8 euros.

In the event of Mr Planes' death, the beneficiary named by him will receive the equivalent of 4 years' fixed Gross Salary at the time of death.

In the event of Mr Planes' total, permanent, or severe disability before the end of this contract, he will receive, until the age of 65, a monthly allowance equivalent to

one twelfth of 75% of his last fixed annual Gross Salary at the time of his disability.

There is also a pension commitment of defined contributions that involves the setting up of a pension fund, for which the company makes annual payments. This system is compatible with the termination of contract allowance. In 2015, two payments will be made for a total of 16,000 euros.

A.6 Describe any severance packages agreed on or paid when directors stand down.

Describe the severance packages.

There are no other compensation systems agreed in case of termination agreement for directors. Only the Executive Director has this compensation detailed in section A.7.

A.7 Describe the terms and conditions that must be observed in the contracts extended to senior managers who act as executive directors. Amongst other information, include the term, thresholds on severance pay, clauses on minimum terms of office, notice periods, in addition to payment in lieu of notice and any other clauses relating to engagement bonuses, in addition to severance packages and golden parachute clauses in the case of the early termination or cancellation of the contractual relationship between the company and executive directors. Include non-compete, exclusivity, term of office, loyalty and post-contract non-compete clauses and agreements.

Explain the terms and conditions of the contracts of executive directors

Mr Eloy Planes' contract as the Company's CEO is a commercial relationship whose subject matter determines that he shall provide the services inherent to that of CEO. Such services are generally provided for under mercantile law and more specifically in the Company's Articles of Association, the Regulations applicable to the Company's governing bodies and those passed at the Fluidra AGM on 31 October 2006, at which he was entrusted with all the powers of the Board of Directors with the sole exception of non-delegable powers.

Specifically, Mr Eloy Planes will assume the responsibilities of the Company's senior management and will therefore take on all responsibility for the Company's executive, managerial and administrative decisions.

The contract contains a post-contractual non-competition covenant and establishes certain rights in the event that it is terminated.

a) Post-contractual non-competition covenant

Without prejudice to the provision whereby Mr Planes undertakes, during the term of the contract, not to compete with the Company, a post-contract non-competition covenant is established for 2 years following the end of the effective rendering of services.

The consideration established for the obligation entered into by Mr Planes by virtue of the post-contractual non-competition covenant is two years of his current annual, fixed Gross Salary when the contract is terminated. Such consideration will be paid in four instalments, with each instalment falling due at the end of each of the four half-yearly periods in which the covenant applies, and will be independent from and compatible with the indemnification established in the contract for the cases in which Mr Planes is removed.

b) Severance payment.

In line with the recommendations of the Code of Good Governance for listed companies, in 2015 the Board of Directors reduced the compensation to which Eloy Planes is entitled as the Company's CEO in the case of the termination of his contract at the request of the Company on any grounds whatsoever, except in the case of a serious breach, deliberate criminal intent or the gross negligence of his obligations as the Company's CEO, to an amount equivalent to two (2) annuities of his remuneration, based on the gross annual salary paid to him in the year of the termination and the gross variable annual salary in the previous year. Before this amendment was introduced, Mr Planes was entitled to three (3) annuities.

Mr Eloy Planes will be entitled to receive the above-mentioned severance payment if he decides to terminate the contract of his own free will, as long as such termination is due to any of the following reasons:

- a serious breach by the Company of its contractual or professional obligations
- a substantial reduction or limitation of his functions or powers
- a substantial change in the conditions set out in this Contract
- a change in ownership of FLUIDRA, whether or not there is a change in the company's management

In the cases set out above, the parties must give notice of at least six months before the effective date of termination, unless due to the substantial, culpable or negligent breach of the professional obligations of Mr E. Planes as the Company's CEO or the substantial breach of the Company in respect of the obligations entered into related to Mr Planes' position. In the case of failure to serve notice, the party in breach shall be entitled to receive an amount equal to the fixed outstanding remuneration during the period of breach.

A.8 Describe any additional remuneration earned by directors in consideration of services rendered other than those inherent to their posts.

Explain additional remuneration

There are no other compensation additional remuneration earned by directors in consideration of services rendered other than those inherent to their posts

A.9 Describe any remuneration paid as advance payments, loans and pledges with an indication of the rate of interest, their basic characteristics and any amounts that may have been returned, as well as the obligations assumed by them as pledges.

Explain the advance payments, loans and pledges granted

There are no remuneration paid as advance payments, loans or pledges

A.10. Describe the main characteristics of remuneration in cash

Explain remuneration in cash.

Additionally of other benefits in kind explained previously, Mr Planes has a company car for business and private use, and family medical health

insurance. The remuneration corresponding to the use of the company car amounts in 2014 is 5,133.6 euros. The cost of the family medical health insurance is 5,832 euros.

In 2015 no significant changes are planned.

- A.11 State the remuneration earned by directors as a result of payments made by the listed company to any third parties to which directors render their services if such payments are made for the purposes of remunerating them for their services rendered to the company.

Explain the remuneration earned by directors as a result of payments made by the listed company to any third parties to which directors render their services

There are no other compensation.

- A.12 Describe any other remuneration paid out other than that described above, whatever its nature or the entity in the Group that pays it, especially if considered a related transaction or if its omission would skew the true and fair view of the total remuneration earned by directors.

Explain other forms of remuneration

There is no other remuneration paid out other than that described above

- A.13 Describe the actions taken by the company in relation to the remuneration scheme for reducing exposure to excessive risk and adjusting it to the company's long-term goals, values and interests, which must include, if applicable, references to: measures intended to ensure that the company's remuneration policy takes its long-term results into account; measures that strike the right balance between fixed and variable components in remuneration; measures adapted to the categories of staff whose work has material repercussions on the organisation's risk profile, its methods or clauses for the collection of payments claimed in relation to the variable components of remuneration based on results when such components are paid in line with figures whose inaccuracy has subsequently been clearly demonstrated; and the measures in place to avoid conflicts of interest, if applicable.

Explain the actions taken to reduce risk

The Annual Variable Remuneration of the Directors with executive functions is linked to his performance related to financial and non financial objectives.

The Long Term Incentive 2013-2015 is linked to the performance of the share's value of the Company in a period of 3 years, not established until the evaluation made by the Board.

In the case of new Plan LTI 2015-2020 proposed, the remuneration is linked to specific performance measures and defers the delivery of the shares.

B REMUNERATION POLICY FOR FUTURE BUSINESS YEARS

- B.1 Give a general overview of the remuneration policy for future business years in respect of: fixed components, attendance fees and variable remuneration; the relationship between remuneration and results; benefit schemes and the terms and conditions of contracts extended to executive directors; and a forecast of the most significant changes in the remuneration policy in comparison with previous business years.

General overview of the remuneration policy
No changes have currently been planned than those explained in previous sections, with regard to the remuneration policy now in place. The current criteria and structure will be maintained for the following periods.

- B.2 Describe the decision-making process for setting the remuneration policy planned for future business years and the role played, if applicable, by the Appointments and Compensation Committee.

Explain the decision-making process for setting the remuneration policy
No changes have currently been planned with regard to what is explained in the section A.2. of this document.

- B.3 Describe the incentives put in place by the company in the remuneration scheme for reducing exposure to excessive risk and adjusting it to the company's long-term goals, values and interests.

Explain the incentives put in place for reducing risk
No changes have currently been planned with regard to what is explained in the section A.13. of this document.

**C GENERAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED
DURING THE BUSINESS YEAR ENDED**

- C.1 Give a summary of the main characteristics of the structure and nature of payments made under the remuneration policy implemented during the business year ended that has given rise to the breakdown of the remuneration of each of the directors, as shown in section D of this report, in addition to a summary of the decisions taken by the Board to implement the policy.

Explain the structure and nature of the remuneration policy implemented during the business year ended.

The structure and remuneration components of Directors applied in 2014 are not different from the current period explained in section A of the document, with the exception of the Managing Committee elimination and its remunerations, and the New LTI Plan commented in section A.3.

D BREAKDOWN OF THE INDIVIDUAL REMUNERATION EARNED BY EACH OF THE DIRECTORS

D.1 Fill in the following tables on the individual remuneration earned by each of the directors (including the remuneration over the year for exercising executive duties) during the business year.

a) Remuneration earned in the company subject to this report:

i) Remuneration in cash (in thousands of €)

Name	Type of office	Period
D. Joan Planes Vila	Nonexecutive nominee	1/1/2014-12/31/2014
D. Eloy Planes Corts	Executive	1/1/2014-12/31/2014
ANIOL (D. Bernat Garrigós Castro)	Nonexecutive nominee	1/1/2014-12/31/2014
D. Oscar Serra Duffo	Nonexecutive nominee	1/1/2014-12/31/2014
D. Bernardo Corbera Serra	Nonexecutive nominee	1/1/2014-12/31/2014
BIDSA (D. Carlos Ventura Santamans)	Nonexecutive nominee	1/1/2014-12/31/2014
D. Juan Ignacio Acha-Orbea Echeverría	Nonexecutive independent	1/1/2014-12/31/2014
D. Kam Son Leong	Nonexecutive independent	1/1/2014-10/30/2014
D. Richard J. Cathcart	Nonexecutive independent	1/1/2014-12/31/2014
Gabriel López	Nonexecutive nominee	10/30/2014-12/31/2014

Name/Type/Payment period in the year	Salary	Fixed remuneration	Allowances	Short-term variable remuneration	Long-term variable remuneration	Remuneration for sitting on Board committees	Severance pay	Other items	Total in the year 2014	Total in the year 2013
Joan Planes		101,000	6,000			8,000			115,000	105,800
Bernat Corbera		65,000	6,000			20,000			91,000	83,720
Oscar Serra		65,000	6,000			20,000			91,000	83,720
ANIOL		65,000	6,000			18,000			89,000	81,880
BIDSA		65,000	6,000			28,000			99,000	92,080
Kam S. Leong (1)		49,833	9,813			6,133			65,779	83,720
Richard Cathcart		65,000	16,000			10,000			91,000	81,880
Juan Ignacio Acha		65,000	6,000			31,000			102,000	91,080
Gabriel López (2)		10,833	1,000			1,667			13,500	-
Eloy Planes	250,000	65,000	6,000	137,875		25,000		10,996	794,841	342,774
CAN		-	-	-	-	-	-	-	-	50,073
TOTAL	250,000	616,667	68,813	137,875	-	167,800	-	10,996	1,252,121	1,096,727

(1) Resignation on 30th October 2014.

(2) Appointment by cooptation on 30th October 2014.

ii) Stock-based remuneration schemes

Period	Stock options held at the beginning of the year 2014				Stock options assigned in the business year 2014			
	No. stock options	No. shareholders affected	Strike price (€)	Expiration date	No. stock options	No. shareholders affected	Strike price (€)	Expiration date
06/02/2010	0	0	0,00		0	0	0,00	There are no options plan in 2014
Conditions	There are no options plan							

Shares given in the business year 2014			Stock options exercised in the year 2014				Expired options not exercised	Stock options at end of year 2014			
No. Shares	Price	Amount	Strike price (€)	No. stock options	No. shareholders affected	Gross profit (€)	No. stock options	No. stock options	No. shareholders affected	Strike price (€)	Expiration date
33.560	3,4350	115.280	0,00	0	0	0	0	0	0	0,00	There are no options in 2014
Other requirements for exercising options	There are no other requirements										

iii) Long-term savings schemes

Name/Type/Payment period of total earnings	Contributions in the year by the company (thousands of €)		Total funds accrued (thousands of €)	
	2014	2013	2014	2013
Eloy Planes	16,000	16,000	59,239.14	49,514.71

iv) Other benefits (in thousands of €)

Remuneration as advance payments and loans granted			
Interest rate of the transaction		Basic characteristics of transaction	Potential amounts paid back
0,0		None	None
Life insurance premiums		Pledges issued by the company to the directors	
2014	2013	2014	2013
9,686	3,912	None	None

b) Remuneration earned by company directors for sitting on boards in other Group companies:

i) Remuneration in cash (in thousands of €)

Name/Type/Payment period in the year	Salary	Fixed remuneration	Allowances	Short-term variable remuneration	Long-term variable remuneration	Remuneration for sitting on Board committees	Severance pay	Other items	Total in the year 2014	Total in the year 2013

ii) Stock-based remuneration schemes

Period	Stock options held at the beginning of the year 2014				Stock options assigned in the business year 2014			
	No. stock options	No. shareholders affected	Strike price (€)	Expiration date	No. stock options	No. shareholders affected	Strike price (€)	Expiration date
Conditions								

Shares given in the business year 2014			Stock options exercised in the year 2013				Expired options not exercised	Stock options at end of year 2014			
No. Shares	Price	Amount	Strike price (€)	No. stock options	No. shareholders affected	Gross profit (€)	No. stock options	No. stock options	No. shareholders affected	Strike price (€)	Expiration date
Other requirements for exercising options											

iii) Long-term savings schemes

Name/Type/Payment period of total earnings in business years	Contributions in the year by the company (thousands of €)		Total funds accrued (thousands of €)	
	2014	2013	2014	2013

iv) Other benefits (in thousands of €)

Name/Type	Remuneration as advance payments and loans granted		
	Interest rate of the transaction	Basic characteristics of transaction	Potential amounts paid back

Name/Type	Life insurance premiums		Pledges issued by the company to the directors	
	2014	2013	2014	2013

c) Summary of remuneration paid (in thousands of €):

The amounts corresponding to all remuneration paid to directors as earnings as described in this report must be included in the summary (in thousands of euros).

In the case of long-term savings schemes, the contributions or amounts paid into these schemes must include:

Name/Type	Remuneration earned at the company				Remuneration earned in Group companies				Total		
	Total remuneration in cash	Amount of shares granted	Gross profit on stock options exercised	Total in the year (q) at the company	Total remuneration in cash	Value of shares granted	Gross profit on stock options exercised	Total in the year (q) in Group companies	Total in the year 2014	Total in the year 2013	Contributions to the savings scheme during the year
Joan Planes	115,000			115,000					115,000	105,800	
Bernat Corbera	91,000			91,000					91,000	83,720	
Oscar Serra	91,000			91,000					91,000	83,720	
ANIOL	89,000			89,000					89,000	81,880	
BIDSA	99,000			99,000					99,000	92,080	
Kam S. Leong	65,780			65,780					65,780	83,720	
Richard Cathcart	91,000			91,000					91,000	81,880	
Juan Ignacio Acha	102,000			102,000					102,000	91,080	
Gabriel López	13,500			13,500					13,500	-	
Eloy Planes	494,841	115,280	-	610,121					610,121	377,795	25,686
CAN	-			-					-	50,073	
Total:	1,257,121	115,280	-	1,367,401	-	-	-	-	1,367,401	1.131,748	25,686

D.2 Report on the ratio between the remuneration earned by the directors and revenues or other performance indicators used by the company and, if applicable, give explanations of how variations in the company's performance have influenced changes in the directors' remuneration.

In 2012, this fixed remuneration was €250,000. As a result of the Group's financial situation in 2013, his fixed remuneration as CEO was reduced by 8%, thus making his total salary €230,000. In 2014, following the good performance of the Company's results his fixed salary was once again raised to €250,000.

Insofar as his variable remuneration is concerned, 85% of the target amount of €125,000 is spread across the Group's financial targets, namely, Free Cash Flow, Net Income, and Sales Growth, and the remaining 15% corresponds to management targets.

In 2012, his variable salary of €95,994 reflected the fact that 72.7% of the financial targets and 100% of the management targets were met, resulting in payouts of €77,244 and €18,750, respectively. In the 2013 business year, the financial targets were not met and only 80% of the management targets were reached, as a result of which the variable incentive compensation in 2013 was €15,000. Once the results at the 2014 year-end had been evaluated, it was revealed that the financial targets had reached 112.5% and the management targets 100%, which resulted in an amount of €137,875 for 2014.

No changes have been planned in 2015 for his fixed and variable remuneration as CEO.

Having been included in the 2010–2012 Long-Term Incentive Programme, he was given a total of 14,121 shares on 15 July 2013 for the first cycle, and a total of 33,560 shares on 15 July 2014 for the second cycle.

D.3 Report on the result of the advisory vote cast at the AGM on remuneration in the previous business year's annual report dated 4th June 2014, with an indication of the number of votes cast against the motion (if any):

	Number	% of the total
Votes cast	86,224,118	76,555%

	Number	% of the total
Votes against	1,530,653	1,7694%
Votes in favour	84,693,334	97,9043%
Abstentions	131	0,0002%

E OTHER USEFUL INFORMATION

If there are any relevant matters relating to the remuneration of the directors that have not been covered in the other sections of this report, but that must be included in order to collect fuller and more conclusive information on the structure and practices implemented by the company in the remuneration of its directors, give a brief outline.

There are no relevant matters relating to the remuneration

This annual remuneration report has been approved by the company's Board of Directors, at a meeting held on 30th of April of 2015.

State whether any directors have voted against or have abstained from voting the approval of this report.

Yes

No

The name or company name of the members of the Board of Directors who have voted against the approval of this report	Reasons (against, abstained, not present)	Explain the reasons