
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 27, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __ to __

Commission file number: **001-40358**

Latham Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

83-2797583

(I.R.S. Employer Identification No.)

787 Watervliet Shaker Road, Latham, NY

(Address of principal executive offices)

12110

(Zip Code)

(800) 833-3800

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.0001 per share	SWIM	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 31, 2025, 116,655,775 shares of the registrant's common stock, \$0.0001 par value, were outstanding.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

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Latham Group, Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)
(unaudited)

	September 27, 2025	December 31, 2024
Assets		
Current assets:		
Cash	\$ 70,518	\$ 56,398
Trade receivables, net	81,106	32,299
Inventories, net	70,316	77,101
Income tax receivable	9,567	3,964
Prepaid expenses and other current assets	9,408	8,536
Total current assets	240,915	178,298
Property and equipment, net	114,114	112,848
Equity method investment	25,826	24,891
Deferred tax assets	729	729
Operating lease right-of-use assets	29,566	28,259
Goodwill	155,017	152,625
Intangible assets, net	275,118	292,913
Other assets	3,137	3,644
Total assets	\$ 844,422	\$ 794,207
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 29,369	\$ 13,141
Current maturities of long-term debt	3,250	3,250
Current operating lease liabilities	7,133	7,176
Accrued expenses and other current liabilities	59,465	47,410
Total current liabilities	99,217	70,977
Long-term debt, net of discount, debt issuance costs, and current portion	277,823	278,271
Deferred income tax liabilities, net	32,347	32,347
Non-current operating lease liabilities	23,268	22,138
Other long-term liabilities	3,410	3,252
Total liabilities	\$ 436,065	\$ 406,985
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 100,000,000 shares authorized as of both September 27, 2025 and December 31, 2024; no shares issued and outstanding as of both September 27, 2025 and December 31, 2024	—	—
Common stock, \$0.0001 par value; 900,000,000 shares authorized as of September 27, 2025 and December 31, 2024; 116,655,775 and 115,764,839 shares issued and outstanding, as of September 27, 2025 and December 31, 2024, respectively	12	12
Additional paid-in capital	469,731	467,076
Accumulated deficit	(56,681)	(74,816)
Accumulated other comprehensive loss	(4,705)	(5,050)
Total stockholders' equity	408,357	387,222
Total liabilities and stockholders' equity	\$ 844,422	\$ 794,207

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Latham Group, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except share and per share data)
(unaudited)

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net sales	\$ 161,903	\$ 150,496	\$ 445,962	\$ 421,247
Cost of sales	104,596	101,807	291,811	288,948
Gross profit	57,307	48,689	154,151	132,299
Selling, general, and administrative expense	28,586	28,336	91,146	81,174
Amortization	7,213	6,982	21,704	19,822
Income from operations	21,508	13,371	41,301	31,303
Other expense:				
Interest expense, net	6,067	9,155	19,587	20,150
Other expense (income), net	1,168	(693)	(2,187)	1,697
Total other expense, net	7,235	8,462	17,400	21,847
Earnings from equity method investment	1,310	944	2,751	2,785
Income before income taxes	15,583	5,853	26,652	12,241
Income tax expense (benefit)	7,466	(43)	8,517	931
Net income	\$ 8,117	\$ 5,896	\$ 18,135	\$ 11,310
Net income per share attributable to common stockholders:				
Basic	\$ 0.07	\$ 0.05	\$ 0.16	\$ 0.10
Diluted	\$ 0.07	\$ 0.05	\$ 0.15	\$ 0.10
Weighted-average common shares outstanding – basic and diluted				
Basic	116,603,331	115,564,382	116,323,609	115,358,274
Diluted	119,907,619	118,445,235	119,720,706	117,130,609

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Latham Group, Inc.
Condensed Consolidated Statements of Comprehensive Income
(in thousands)
(unaudited)

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net income	\$ 8,117	\$ 5,896	\$ 18,135	\$ 11,310
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	146	776	345	948
Total other comprehensive income, net of tax	146	776	345	948
Comprehensive income	<u>\$ 8,263</u>	<u>\$ 6,672</u>	<u>\$ 18,480</u>	<u>\$ 12,258</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Latham Group, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)
(unaudited)

	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balances at December 31, 2023	114,871,782	\$ 11	\$ 459,684	\$ (56,956)	\$ (3,539)	\$ 399,200
Net loss	—	—	—	(7,864)	—	(7,864)
Foreign currency translation adjustments	—	—	—	—	(811)	(811)
Issuance of common stock upon release of restricted stock units	517,907	—	—	—	—	—
Stock-based compensation expense	—	—	1,243	—	—	1,243
Balances at March 30, 2024	<u>115,389,689</u>	<u>\$ 11</u>	<u>\$ 460,927</u>	<u>\$ (64,820)</u>	<u>\$ (4,350)</u>	<u>\$ 391,768</u>
Net income	—	—	—	13,279	—	13,279
Foreign currency translation adjustments	—	—	—	—	983	983
Issuance of common stock upon release of restricted stock units	187,414	1	—	—	—	1
Stock-based compensation expense	—	—	2,100	—	—	2,100
Balances at June 29, 2024	<u>115,577,103</u>	<u>\$ 12</u>	<u>\$ 463,027</u>	<u>\$ (51,541)</u>	<u>\$ (3,367)</u>	<u>\$ 408,131</u>
Net income	—	—	—	5,896	—	5,896
Foreign currency translation adjustments	—	—	—	—	776	776
Issuance of common stock upon release of restricted stock units	15,762	—	—	—	—	—
Stock-based compensation expense	—	—	1,844	—	—	1,844
Balances at September 28, 2024	<u>115,592,865</u>	<u>\$ 12</u>	<u>\$ 464,871</u>	<u>\$ (45,645)</u>	<u>\$ (2,591)</u>	<u>\$ 416,647</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Latham Group, Inc.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)
(unaudited)

	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balances at December 31, 2024	115,764,839	\$ 12	\$ 467,076	\$ (74,816)	\$ (5,050)	\$ 387,222
Net loss	—	—	—	(5,962)	—	(5,962)
Foreign currency translation adjustments	—	—	—	—	217	217
Issuance of common stock upon release of restricted stock units	941,370	—	—	—	—	—
Common stock withheld for taxes on restricted stock units	(343,232)	—	(2,306)	—	—	(2,306)
Stock-based compensation expense	—	—	1,971	—	—	1,971
Balances at March 29, 2025	<u>116,362,977</u>	<u>\$ 12</u>	<u>\$ 466,741</u>	<u>\$ (80,778)</u>	<u>\$ (4,833)</u>	<u>\$ 381,142</u>
Net income	—	—	—	15,980	—	15,980
Foreign currency translation adjustments	—	—	—	—	(18)	(18)
Issuance of common stock upon release of restricted stock units	182,341	—	—	—	—	—
Common stock withheld for taxes on restricted stock units	(9,189)	—	(57)	—	—	(57)
Stock-based compensation expense	—	—	1,381	—	—	1,381
Balances at June 28, 2025	<u>116,536,129</u>	<u>\$ 12</u>	<u>\$ 468,065</u>	<u>\$ (64,798)</u>	<u>\$ (4,851)</u>	<u>\$ 398,428</u>
Net income	—	—	—	8,117	—	8,117
Foreign currency translation adjustments	—	—	—	—	146	146
Issuance of common stock upon release of restricted stock units	180,323	—	—	—	—	—
Common stock withheld for taxes on restricted stock units	(60,677)	—	(314)	—	—	(314)
Stock-based compensation expense	—	—	1,980	—	—	1,980
Balances at September 27, 2025	<u>116,655,775</u>	<u>\$ 12</u>	<u>\$ 469,731</u>	<u>\$ (56,681)</u>	<u>\$ (4,705)</u>	<u>\$ 408,357</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Latham Group, Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024
Cash flows from operating activities:		
Net income	\$ 18,135	\$ 11,310
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	37,978	32,291
Unrealized foreign currency (gain) loss	(2,878)	1,697
Amortization of deferred financing costs and debt discount	1,290	1,290
Non-cash lease expense	5,455	5,349
Change in fair value of interest rate swap	610	887
Stock-based compensation expense	5,332	5,187
Bad debt expense	1,623	1,817
Other non-cash, net	655	(31)
Earnings from equity method investment	(2,751)	(2,785)
Distributions received from equity method investment	1,816	3,293
Changes in operating assets and liabilities:		
Trade receivables	(50,352)	(35,639)
Inventories	7,331	25,518
Prepaid expenses and other current assets	(795)	(2,318)
Income tax receivable	(5,603)	(6,554)
Other assets	(241)	645
Accounts payable	16,296	10,385
Accrued expenses and other current liabilities	6,672	3,430
Other long-term liabilities	(452)	(622)
Net cash provided by operating activities	<u>40,121</u>	<u>55,150</u>
Cash flows from investing activities:		
Purchases of property and equipment	(16,160)	(13,861)
Acquisition of business, net of cash acquired	(4,934)	(64,046)
Net cash used in investing activities	<u>(21,094)</u>	<u>(77,907)</u>
Cash flows from financing activities:		
Payments on long-term debt borrowings	(1,625)	(19,625)
Proceeds from borrowings on revolving credit facility	25,000	—
Payments on revolving credit facilities	(25,000)	—
Repayments of finance lease obligations	(616)	(573)
Common stock withheld for taxes on restricted stock units	(2,677)	—
Net cash used in financing activities	<u>(4,918)</u>	<u>(20,198)</u>
Effect of exchange rate changes on cash	11	54
Net increase (decrease) in cash	<u>14,120</u>	<u>(42,901)</u>
Cash at beginning of period	56,398	102,763
Cash at end of period	<u>\$ 70,518</u>	<u>\$ 59,862</u>
Supplemental cash flow information:		
Cash paid for interest	\$ 20,735	\$ 20,481
Income taxes paid, net	8,023	8,919
Supplemental disclosure of non-cash investing and financing activities:		
Purchases of property and equipment included in accounts payable and accrued expenses	\$ 422	\$ 1,201
Right-of-use operating and finance lease assets obtained in exchange for lease liabilities	7,172	3,538

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements (unaudited)

1. NATURE OF THE BUSINESS

Latham Group, Inc. (the “Company” or “Latham”) wholly owns Latham Pool Products, Inc. (“Latham Pool Products”), a designer, manufacturer, and marketer of in-ground residential swimming pools in North America, Australia, and New Zealand. Latham Pool Products offers a portfolio of pools and related products, including in-ground swimming pools, pool covers, and pool liners.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and notes have been prepared in accordance with generally accepted accounting principles in the United States (“GAAP”). The Company’s unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Unaudited Interim Financial Information

The unaudited condensed consolidated balance sheet at December 31, 2024 was derived from audited financial statements but does not include all disclosures required by GAAP. The accompanying unaudited condensed consolidated financial statements as of September 27, 2025 and for the fiscal quarter and three fiscal quarters ended September 27, 2025 and September 28, 2024, respectively, have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for interim financial statements. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. These condensed consolidated financial statements should be read in conjunction with Latham Group, Inc.’s audited consolidated financial statements and the notes thereto for the fiscal year ended December 31, 2024 included in the Company’s 2024 Annual Report on Form 10-K, filed with the SEC on March 5, 2025 (the “Annual Report”). In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair statement of these condensed consolidated financial statements, have been included. The Company’s results of operations for the fiscal quarter and three fiscal quarters ended September 27, 2025 are not necessarily indicative of the results of operations that may be expected for the fiscal year ending December 31, 2025 or other interim periods thereof.

Use of Estimates

The preparation of the Company’s condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company bases its estimates on historical experience, known trends, and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. Estimates are evaluated on an ongoing basis and revised as there are changes in circumstances, facts, and experience. Changes in estimates are recorded in the period in which they become known.

Seasonality

Although the Company generally has demand for its products throughout the year, its business is seasonal and weather is one of the principal external factors affecting the business. In general, net sales and net income are highest (or net loss is the lowest) during the second and third quarters, representing the peak months of swimming pool use, pool installation, and remodeling and repair activities. Severe weather may also affect net sales in all periods.

Significant Accounting Policies

Refer to the Annual Report for a discussion of the Company’s significant accounting policies.

Recently Issued Accounting Pronouncements

The Company qualifies as “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012 and has elected to “opt in” to the extended transition related to complying with new or revised accounting standards, which means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company will adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and will do so until such time that the Company either (i) irrevocably elects to “opt out” of such extended transition period or (ii) no longer qualifies as an emerging growth company. The Company may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for private companies.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (“ASU 2023-09”), in an effort to enhance the transparency and decision usefulness of income tax disclosures. For all entities, ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025. The amendments should be applied prospectively with retrospective application permitted. Early adoption is also permitted. The Company is currently evaluating ASU 2023-09 and its potential impact on the notes to the condensed consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40) (“ASU 2024-03”), which improves disclosures to provide more detailed information about a business entity’s expenses. ASU 2024-03 is effective for public business entities for fiscal years beginning after December 15, 2026. The amendments should be applied retrospectively to all prior periods presented in the financial statements, with early adoption permitted. The Company is currently evaluating ASU 2024-03 and its potential impact on the condensed consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets (“ASU 2025-05”), which offers a practical expedient for public companies valuing their current expected credit losses. ASU 2025-05 is effective for public business entities for fiscal years beginning after December 15, 2025 and interim reporting periods within those annual reporting periods. The amendments should be applied prospectively. The Company is currently evaluating ASU 2025-05 and its potential impact on the condensed consolidated financial statements.

Recently Adopted Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (“ASU 2023-07”), requiring public entities to disclose information about their reportable segments’ significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280 on an interim and annual basis. The Company adopted ASU 2023-07 during the year ended December 31, 2024. See Note 14 for further detail.

3. ACQUISITIONS

Coverstar Central, LLC

On August 2, 2024 (the “Acquisition Date”), Latham Pool Products acquired Coverstar Central, LLC (“Coverstar Central”) for total consideration of \$71.5 million (the “Coverstar Central Acquisition”). The total consideration included \$66.5 million in cash (including a net working capital adjustment of \$1.2 million) and a non-cash settlement of preexisting obligations of \$4.9 million. Preexisting relationships are effectively settled since such a relationship becomes intercompany upon the acquisition and is eliminated in post-combination financial statements. The cash consideration was funded with cash on hand. The Company incurred \$0.9 million in transaction costs. The results of Coverstar Central’s operations have been included in the condensed consolidated financial statements since that date. Coverstar Central is an automatic safety cover dealer based in the United States. The acquisition allows for vertical integration of the Company’s automatic safety cover product category. Additionally, the acquisition provides the Company with an increase in dealer and franchise relationships.

The Company accounted for the Coverstar Central Acquisition using the acquisition method of accounting in accordance with FASB ASC 805, Business Combinations. This requires that the assets acquired and liabilities assumed be measured at fair value.

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Inventories were valued using the comparative sales method. Specific to intangible assets, backlog and customer relationships were valued using the multi-period excess earnings method. The Company recorded the assets acquired and liabilities assumed at their respective fair values as of the Acquisition Date. These fair value estimates were evaluated during the measurement period of up to one year from the Acquisition Date, and are no longer subject to change.

The following summarizes the purchase price allocation for the Company's acquisition of Coverstar Central:

(in thousands)	August 2, 2024
Total consideration	\$ 71,516
Allocation:	
Cash	2,084
Trade receivables	7,020
Inventories	4,293
Prepaid expenses and other current assets	53
Property and equipment	344
Intangible assets	38,220
Deferred tax assets	43
Total assets acquired, excluding goodwill	52,057
Accounts payable	131
Accrued expenses and other current liabilities	2,457
Total liabilities assumed	2,588
Total fair value of net assets acquired, excluding goodwill	49,469
Goodwill	\$ 22,047

The excess of the total consideration over the fair value of the identifiable assets acquired and the liabilities assumed in the acquisition was allocated to goodwill in the amount of \$22.0 million. Goodwill resulting from the acquisition was attributable to vertical integration, the expanded market share and broader geographical footprint. The goodwill recognized is deductible for tax purposes.

The Company allocated a portion of the total consideration to specific intangible asset categories as follows:

Definite-lived intangible assets:	Fair Value (in thousands)	Amortization Period (in years)
Dealer relationships	\$ 37,800	13
Order backlog	420	1

Pro Forma Financial Information (Unaudited)

The following pro forma financial information presents the statements of operations of the Company with Coverstar Central as if the acquisition occurred on January 1, 2024. The pro forma results do not include any anticipated synergies, cost savings or other expected benefits of the acquisition. The pro forma financial information is not necessarily indicative of what the financial results would have been had the acquisition been completed on January 1, 2024 and is not necessarily indicative of the Company's future financial results.

(in thousands)	Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024
Net sales	\$ 445,962	\$ 433,522
Net income	18,319	15,174

The pro forma financial information presented above reflects the effects as a result of the acquisition, including the amortization expense from acquired intangible assets, the additional cost of sales from acquired inventory, the elimination of intercompany transactions and the removal of certain costs (primarily payroll costs) that would not have occurred and any related tax effects. Transaction costs for Coverstar Central are reflected within pro forma net income for the three fiscal quarters ended September 28, 2024.

Other Business Combinations

During the fiscal quarter ended March 29, 2025, the Company completed the acquisition of two autocover dealers located in New York and Tennessee that qualified as a business combination. This transaction resulted in an increase to goodwill and intangibles, but was not material to our condensed consolidated financial statements, and as a result, additional business combination disclosures for this acquisition have been omitted.

4. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs to valuation methodologies used to measure fair value.

Level 1 — Quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs, other than quoted prices in active markets, that are observable either directly or indirectly.

Level 3 — Unobservable inputs that reflect the Company's own assumptions incorporated into valuation techniques. These valuations require significant judgment.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. When there is more than one input at different levels within the hierarchy, the fair value is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of a particular input to the fair value measurement in its entirety requires substantial judgment and consideration of factors specific to the asset or liability. Level 3 inputs are inherently difficult to estimate. Changes to these inputs can have significant impact on fair value measurements. Assets and liabilities measured at fair value using Level 3 inputs are based on one or more of the following valuation techniques: market approach, income approach or cost approach. There were no transfers between fair value measurement levels during the three fiscal quarters ended September 27, 2025 or September 28, 2024.

Assets and liabilities measured at fair value on a nonrecurring basis

The Company's non-financial assets such as goodwill, intangible assets, and property and equipment are measured at fair value upon acquisition and remeasured to fair value when an impairment charge is recognized. Such fair value measurements are based predominantly on Level 2 and Level 3 inputs.

Fair value of financial instruments

The Company considers the carrying amounts of cash, trade receivables, prepaid expenses and other current assets, accounts payable, and accrued expenses and other current liabilities to approximate fair value because of the short-term maturities of these instruments.

Term loans

Term loans are carried at amortized cost; however, the Company estimates the fair value of term loans for disclosure purposes. The fair value of a term loan is determined using inputs based on observable market data of a non-public exchange, which are classified as Level 2 inputs. The following table sets forth the carrying amount and fair value of the term loans (in thousands):

	September 27, 2025		December 31, 2024	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Term Loan	\$ 281,073	\$ 279,669	\$ 281,521	\$ 276,946

Interest rate swap

The Company estimates the fair value of the interest rate swap on a quarterly basis using Level 2 inputs, including the forward SOFR curve. The fair value is estimated by comparing (i) the present value of all future monthly fixed rate payments versus (ii) the variable payments based on the forward SOFR curve. As of September 27, 2025 and December 31, 2024, the Company's interest rate swap was a liability of \$1.0 million and \$0.4 million, respectively, which were recorded within other long-term liabilities on the condensed consolidated balance sheets. See Note 7 for further detail.

5. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

The carrying amount of goodwill as of September 27, 2025 and as of December 31, 2024 was \$155.0 million and \$152.6 million, respectively. The change in the carrying value during the three fiscal quarters ended September 27, 2025 was primarily driven by acquisitions made in the first fiscal quarter of 2025.

Intangible Assets

Intangible assets, net as of September 27, 2025 consisted of the following (in thousands):

	September 27, 2025			
	Gross Carrying Amount	Foreign Currency Translation	Accumulated Amortization	Net Amount
Trade names and trademarks	\$ 148,100	\$ (252)	\$ 41,097	\$ 106,751
Patented technology	16,126	(3)	11,407	4,716
Technology	13,000	—	3,323	9,677
Pool designs	13,628	(107)	4,611	8,910
Franchise relationships	1,187	—	1,187	—
Dealer relationships	238,551	(1)	93,486	145,064
Order backlog	2,020	—	2,020	—
Non-competition agreements	2,476	—	2,476	—
	<u>\$ 435,088</u>	<u>\$ (363)</u>	<u>\$ 159,607</u>	<u>\$ 275,118</u>

The Company recognized \$7.2 million and \$21.7 million of amortization expense related to intangible assets during the fiscal quarter and three fiscal quarters ended September 27, 2025, respectively. The Company recognized \$7.0 million and \$19.8 million of amortization expense related to intangible assets during the fiscal quarter and three fiscal quarters ended September 28, 2024, respectively.

The change in the carrying value of dealer relationships is driven by the acquisitions made in the three fiscal quarters ended September 27, 2025.

Intangible assets, net as of December 31, 2024 consisted of the following (in thousands):

	December 31, 2024			
	Gross Carrying Amount	Foreign Currency Translation	Accumulated Amortization	Net Amount
Trade names and trademarks	\$ 148,100	\$ (592)	\$ 36,183	\$ 111,325
Patented technology	16,126	(9)	10,303	5,814
Technology	13,000	—	2,673	10,327
Pool designs	13,628	(293)	3,909	9,426
Franchise relationships	1,187	—	1,187	—
Dealer relationships	235,176	(3)	79,397	155,776
Order backlog	2,020	—	1,775	245
Non-competition agreements	2,476	—	2,476	—
	<u>\$ 431,713</u>	<u>\$ (897)</u>	<u>\$ 137,903</u>	<u>\$ 292,913</u>

The Company estimates that amortization expense related to definite-lived intangible assets will be as follows in each of the next five fiscal years and thereafter (in thousands):

Fiscal Year Ending	Estimated Future Amortization Expense
Remainder of fiscal year 2025	\$ 7,180
2026	28,719
2027	28,719
2028	27,760
2029	22,391
Thereafter	160,349
	<u>\$ 275,118</u>

6. INVENTORIES, NET

Inventories, net consisted of the following (in thousands):

	September 27, 2025	December 31, 2024
Raw materials	\$ 50,210	\$ 49,322
Finished goods	20,106	27,779
	<u>\$ 70,316</u>	<u>\$ 77,101</u>

7. LONG-TERM DEBT

The components of the Company’s outstanding long-term debt obligations consisted of the following (in thousands):

	September 27, 2025	December 31, 2024
Term Loan	\$ 286,437	\$ 288,063
Revolving Credit Facility	—	—
Less: Unamortized discount and debt issuance costs	(5,364)	(6,542)
Total debt	281,073	281,521
Less: Current portion of long-term debt	(3,250)	(3,250)
Total long-term debt	\$ 277,823	\$ 278,271

On February 23, 2022, Latham Pool Products and certain subsidiary guarantors entered into a credit and guaranty agreement (the “Credit Agreement”) with Barclays Bank PLC, which provides a senior secured multicurrency revolving line of credit (the “Revolving Credit Facility”) in an initial principal amount of \$75.0 million and a U.S. Dollar senior secured term loan facility (the “Term Loan”) in an initial principal amount of \$325.0 million.

The Company is required to meet certain financial covenants, including maintaining specific liquidity measurements. There are also negative covenants, including certain restrictions on the Company’s ability to incur additional indebtedness, create liens, make investments, consolidate or merge with other entities, enter into transactions with affiliates, make prepayments with respect to certain indebtedness and make restricted payments and other distributions.

Revolving Credit Facility

The Revolving Credit Facility may be utilized to finance ongoing general corporate and working capital needs and permits Latham Pool Products to borrow loans in U.S. Dollars, Canadian Dollars, Euros and Australian Dollars. The Revolving Credit Facility matures on February 23, 2027. Loans outstanding under the Revolving Credit Facility denominated in U.S. Dollars and Canadian Dollars bear interest, at the borrower’s option, at a rate per annum based on Term SOFR or CDO (each, as defined in the Credit Agreement), as applicable, plus a margin of 3.50%, or at a rate per annum based on the Base Rate or the Canadian Prime Rate (each, as defined in the Credit Agreement), plus a margin of 2.50%. Loans outstanding under the Revolving Credit Facility denominated in Euros or Australian Dollars bear interest based on EURIBOR or the AUD Rate (each, as defined in the Credit Agreement), respectively, plus a margin of 3.50%. A commitment fee accrues on any unused portion of the commitments under the Revolving Credit Facility. The commitment fee is due and payable quarterly in arrears, and initially was 0.375% per annum and thereafter accrues at a rate per annum ranging from 0.25% to 0.50%, depending on the First Lien Net Leverage Ratio (as defined in the Credit Agreement). Borrowings under the Revolving Credit Facility are not subject to amortization and are due at maturity.

The Company incurred debt issuance costs of \$0.8 million related to the Revolving Credit Facility. The debt issuance costs were recorded within other assets on the condensed consolidated balance sheet and are being amortized over the life of the Revolving Credit Facility.

During the three fiscal quarters ended September 27, 2025, the Company repaid the \$25.0 million of outstanding borrowings on the Revolving Credit Facility. As of September 27, 2025, there were no outstanding borrowings on the Revolving Credit Facility and \$75.0 million was available for future borrowing.

Term Loan

Pursuant to the Credit Agreement, Latham Pool Products borrowed \$325.0 million in term loans. The Term Loan matures on February 23, 2029. Loans outstanding under the Term Loan bear interest, at the borrower’s option, at a rate per annum based on Term SOFR (as defined in the Credit Agreement), plus a margin ranging from 3.75% to 4.00%, depending on the First Lien Net Leverage Ratio, or based on the Base Rate (each, as defined in the Credit Agreement), plus a margin ranging from 2.75% to 3.00%, depending on the First Lien Net Leverage Ratio. Loans under the Term Loan are subject to scheduled quarterly amortization payments of \$812,500, equal to 0.25% of the initial principal amount of the Term Loan. The Term Loan contains customary mandatory prepayment provisions, including requirements to make mandatory prepayments with 50% of any excess cash flow and with 100% of

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the net cash proceeds from the incurrence of indebtedness not otherwise permitted to be incurred by the covenants, asset sales, and casualty and condemnation events, in each case, subject to customary exceptions.

During the three fiscal quarters ended September 28, 2024, the Company made a pre-payment of \$18.0 million in addition to the required annual payments of \$3.3 million. No additional pre-payments are required to be made during the year ending December 31, 2025.

Outstanding borrowings as of September 27, 2025 were \$281.1 million, net of unamortized discount and debt issuance costs of \$5.4 million. In connection with the Term Loan, the Company is subject to various negative, reporting, financial, and other covenants, including maintaining specific liquidity measurements.

As of September 27, 2025, the unamortized debt issuance costs and discount on the Term Loan were \$3.0 million and \$2.4 million, respectively. The effective interest rate was 9.22% at September 27, 2025, including the impact of the Company's interest rate swap.

Interest Rate Risk

Interest rate risk associated with the Credit Agreement is mitigated partially through interest rate swaps.

The Company entered into an interest rate swap that was executed on March 10, 2023 (the "2023 Interest Rate Swap"). The 2023 Interest Rate Swap had an effective date of May 18, 2023 and a termination date of May 18, 2026. Under the terms of the 2023 Interest Rate Swap, the Company fixed its SOFR borrowing rate at 4.3725% on a notional amount of \$161.0 million. The 2023 Interest Rate Swap was not designated as a hedging instrument for accounting purposes (see Note 4).

Additionally, the Company entered into a new interest rate swap that was executed on June 4, 2025 (the "2025 Interest Rate Swap"). As part of the 2025 Interest Rate Swap, the Company terminated the 2023 Interest Rate Swap prior to its May 18, 2026 termination date. The 2025 Interest Rate Swap became effective on May 19, 2025 and has a termination date of May 18, 2027. Under the terms of the 2025 Interest Rate Swap, the Company fixed its SOFR borrowing rate at 3.92% on a notional amount of \$140.0 million. The 2025 Interest Rate Swap is not designated as a hedging instrument for accounting purposes (see Note 4).

Debt Maturities

Principal payments due on the outstanding debt, excluding the Revolving Credit Facility, in the next five fiscal years, excluding any potential payments based on excess cash flow levels, are as follows (in thousands):

Fiscal Year Ending	Term Loan
Remainder of fiscal year 2025	\$ 1,625
2026	3,250
2027	3,250
2028	3,250
2029	275,062
	<u>\$ 286,437</u>

Guarantees

The obligations under the Credit Agreement are guaranteed by certain wholly owned subsidiaries (the "Guarantors") of the Company that are party to that certain security agreement, which was executed in connection with the Credit Agreement. The obligations under the Credit Agreement are secured by substantially all of the Guarantors' tangible and intangible assets, including their accounts receivables, equipment, intellectual property, inventory, cash and cash equivalents, deposit accounts, and security accounts. The Credit Agreement also restricts payments and other distributions unless certain conditions are met, which could restrict the Company's ability to pay dividends. The ownership chain between Latham Pool Products and the Company consists of a series of holding companies with no material assets, liabilities, or standalone operations other than indirect equity interests in Latham Pool Products.

8. PRODUCT WARRANTIES

The warranty reserve activity consisted of the following (in thousands):

	Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024
Balance at the beginning of the fiscal year	\$ 2,647	\$ 3,161
Adjustments to reserve	2,338	2,873
Less: Settlements made (in cash or in kind)	(1,957)	(2,513)
Balance at the end of the fiscal quarter	\$ 3,028	\$ 3,521

9. LEASES

For leases with initial terms greater than 12 months, the Company considers these right-of-use assets and records the related asset and obligation at the present value of lease payments over the term. For leases with initial terms equal to or less than 12 months, the Company does not consider them as right-of-use assets and instead considers them short-term lease costs that are recognized on a straight-line basis over the lease term. The Company's leases may include escalation clauses, renewal options, and/or termination options that are factored into the Company's determination of lease term and lease payments when it is reasonably certain the option will be exercised. The Company elected to take the practical expedient and not separate lease and non-lease components of contracts. The Company estimates an incremental borrowing rate to discount the lease payments based on information available at lease commencement because the implicit rate of the lease is generally not known.

The Company leases manufacturing facilities, office space, land, and certain vehicles and equipment under operating leases. The Company also leases certain vehicles and equipment under finance leases. The Company determines if an arrangement is a lease at inception. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The components of lease expense for the fiscal quarter and three fiscal quarters ended September 27, 2025 and September 28, 2024 were as follows (in thousands):

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Operating lease expense	\$ 2,266	\$ 2,170	\$ 6,592	\$ 6,462
Finance lease amortization of assets	215	212	636	636
Finance lease interest on lease liabilities	67	78	202	242
Short-term lease expense	135	160	328	280
Variable lease expense	187	98	554	378
Total lease expense	\$ 2,870	\$ 2,718	\$ 8,312	\$ 7,998

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Operating and finance lease right-of-use assets and lease-related liabilities as of September 27, 2025 and December 31, 2024 were as follows (in thousands):

	September 27, 2025	December 31, 2024	Classification
Lease right-of-use assets:			
Operating leases	\$ 29,566	\$ 28,259	Operating lease right-of-use assets
Finance leases	2,875	3,261	Other assets
Total lease right-of-use assets	\$ 32,441	\$ 31,520	
Lease-related liabilities:			
Current			
Operating leases	\$ 7,133	\$ 7,176	Current operating lease liabilities
Finance leases	806	779	Accrued expenses and other current liabilities
Non-current			
Operating leases	23,268	22,138	Non-current operating lease liabilities
Finance leases	2,288	2,678	Other long-term liabilities
Total lease liabilities	\$ 33,495	\$ 32,771	

The table below presents supplemental information related to leases as of September 27, 2025 and December 31, 2024:

	September 27, 2025	December 31, 2024
Weighted-average remaining lease term (years):		
Finance leases	3.8	4.4
Operating leases	5.1	5.3
Weighted-average discount rate:		
Finance leases	8.1 %	8.2 %
Operating leases	5.7 %	5.4 %

The table below presents supplemental information related to the cash flows for operating leases recorded on the condensed consolidated statements of cash flows (in thousands):

	Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 5,589	\$ 5,410

The following table summarizes fiscal year maturities of operating lease liabilities as of September 27, 2025 (in thousands):

	Operating Leases	Finance Leases	Total
Remainder of fiscal year 2025	\$ 2,262	\$ 266	\$ 2,528
2026	8,358	996	9,354
2027	6,721	916	7,637
2028	5,387	904	6,291
2029	4,771	420	5,191
Thereafter	7,593	86	7,679
Total lease payments	35,092	3,588	38,680
Less: Interest	(4,691)	(494)	(5,185)
Present value of lease liability	\$ 30,401	\$ 3,094	\$ 33,495

10. NET SALES

The following table sets forth the Company's disaggregation of net sales by product line (in thousands):

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
In-ground Swimming Pools	\$ 75,377	\$ 74,785	\$ 211,711	\$ 215,575
Covers	54,893	47,755	123,749	100,126
Liners	31,633	27,956	110,502	105,546
	<u>\$ 161,903</u>	<u>\$ 150,496</u>	<u>\$ 445,962</u>	<u>\$ 421,247</u>

11. INCOME TAXES

The effective income tax rate for the fiscal quarter and the three fiscal quarters ended September 27, 2025 was 47.9% and 32.0%, respectively, compared to (0.7)% and 7.6% for the fiscal quarter and the three fiscal quarters ended September 28, 2024. The differences between the U.S. federal statutory income tax rate and the Company's effective income tax rates for the fiscal quarter ended September 27, 2025 and the fiscal quarter ended September 28, 2024 were primarily attributable to the discrete impact of stock-based compensation expense for which there is no associated tax benefit and the effects of branch accounting for Latham Canada.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act of 2017, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The new provisions did not have a material impact on the Company's 2025 effective tax rate.

12. STOCK-BASED COMPENSATION

On April 12, 2021, the Company's stockholders approved the Latham Group, Inc. 2021 Omnibus Equity Incentive Plan (the "2021 Omnibus Equity Plan"), which became effective on April 22, 2021. The 2021 Omnibus Equity Plan provides for the issuance of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance stock units and other stock-based and cash-based awards. The maximum grant date fair value of cash and equity awards that may be awarded to a non-employee director under the 2021 Omnibus Equity Plan during any one fiscal year, together with any cash fees paid to such non-employee director during such fiscal year, is \$750,000.

On May 2, 2023, at the 2023 annual meeting of stockholders of the Company, the stockholders approved the first amendment (the "Equity Plan First Amendment") to the 2021 Omnibus Equity Plan, which was previously approved by the Board of Directors of the Company (the "Board"). The Equity Plan First Amendment became effective upon stockholder approval, and provides for (i) an increase by 8,000,000 shares of the share pool, i.e. the maximum number of shares of the Company's common stock that may be issued pursuant to awards granted under the 2021 Omnibus Equity Plan, (ii) a prohibition on recycling shares withheld or remitted to pay taxes for all awards, (iii) a minimum vesting period of one year for all awards, with an exception for shares representing 5% of the share pool and (iv) a prohibition on the transfer of stock options and stock appreciation rights for value or to third-party financial institutions without stockholder approval.

Except as amended by the Equity Plan First Amendment, the other terms of the 2021 Omnibus Equity Plan remain in full force and effect. Subsequent to the Equity Plan First Amendment, the maximum aggregate number of shares reserved for issuance under the 2021 Omnibus Equity Plan is 21,170,212 shares.

The following table summarizes the Company's stock-based compensation expense (in thousands):

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Selling, general, and administrative	\$ 1,980	\$ 1,844	\$ 5,332	\$ 5,187

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As of September 27, 2025, total unrecognized stock-based compensation expense related to all unvested stock-based awards was \$10.3 million, which is expected to be recognized over a weighted-average period of 1.9 years.

Restricted Stock Units

The following table represents the Company's restricted stock units activity during the three fiscal quarters ended September 27, 2025:

	Shares	Weighted-Average Grant-Date Fair Value
Outstanding at January 1, 2025	4,200,759	\$ 3.12
Granted	900,836	7.12
Vested	(1,231,008)	3.20
Forfeited	(394,117)	3.73
Outstanding at September 27, 2025	<u>3,476,470</u>	<u>\$ 4.06</u>

Stock Options

The following table represents the Company's stock options activity during the three fiscal quarters ended September 27, 2025:

	Shares	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contract Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2025	1,383,738	\$ 15.20		
Granted	—	—		
Exercised	—	—		
Forfeited	(34,719)	15.38		
Expired	(198,307)	17.31		
Outstanding at September 27, 2025	<u>1,150,712</u>	<u>\$ 14.84</u>	<u>6.25</u>	<u>\$ 305</u>
Vested and expected to vest at September 27, 2025	<u>1,150,712</u>	<u>\$ 14.84</u>	<u>6.25</u>	<u>\$ 305</u>
Options exercisable at September 27, 2025	<u>949,712</u>	<u>\$ 15.25</u>	<u>6.18</u>	<u>\$ 220</u>

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those stock options that had exercise prices lower than the fair value of the Company's common stock.

Stock Appreciation Rights

The following table represents the Company’s stock appreciation rights activity during the three fiscal quarters ended September 27, 2025:

	Shares	Weighted-Average Exercise Price per Share	Weighted-Average Remaining Contract Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2025	660,556	\$ 3.15		
Granted	—	—		
Exercised	(73,026)	3.24		
Forfeited	(73,027)	3.24		
Outstanding at September 27, 2025	<u>514,503</u>	<u>\$ 3.12</u>	<u>7.65</u>	<u>\$ 2,263</u>
Vested and expected to vest at September 27, 2025	<u>514,503</u>	<u>\$ 3.12</u>	<u>7.65</u>	<u>\$ 2,263</u>
Stock appreciation rights exercisable at September 27, 2025	<u>219,576</u>	<u>\$ 3.17</u>	<u>7.62</u>	<u>\$ 955</u>

The aggregate intrinsic value of stock appreciation rights is calculated as the difference between the strike price of the stock appreciation rights and the fair value of the Company’s common stock for those stock appreciation rights that had strike prices lower than the fair value of the Company’s common stock.

Performance Stock Units

During the three fiscal quarters ended September 27, 2025, the Compensation Committee of the Board approved the grant of performance stock units (“PSUs”) as a portion of the annual equity award to the Company’s executive officers.

Thirty-three percent of the target number of PSUs awarded on the grant date will be earned annually at 0% to 200% of the target number of PSUs based on the Company’s achievement of Adjusted EBITDA (with 100% of PSUs being earned at target performance, and linear interpolation between threshold and target and maximum performance) as defined in the award agreement, for each year of the three-year performance period beginning January 1, 2025 and ending December 31, 2027. Any earned PSUs cliff vest on the third anniversary of the grant date. Adjusted EBITDA is considered a performance condition and the grant date fair value corresponds with management’s expectation of the probable outcome of the performance condition as of the grant date. The grant date fair value was determined based on the fair market value of the Company’s stock at market close on the grant date multiplied by the target number of shares subject to the award and adjusted for management’s expectation of the probable outcome of the performance condition. The probability of achieving the performance criteria is assessed quarterly during the performance period. Compensation expense related to unvested PSUs is recognized ratably over the performance period.

The following table represents the Company’s PSU activity during the three fiscal quarters ended September 27, 2025:

	Shares	Weighted-Average Grant Date Fair Value
Outstanding at January 1, 2025	807,771	\$ 2.91
Granted	325,613	7.33
Adjustment for performance achievement ⁽¹⁾	—	—
Forfeited	(182,521)	3.67
Outstanding at September 27, 2025 ⁽²⁾	<u>950,863</u>	<u>\$ 4.28</u>

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(1) Represents the adjustment to previously granted PSUs based on the Company’s performance expectations as of the end of each respective fiscal year.

(2) An additional 292,870 PSUs could potentially be included if the maximum performance level of 200% is earned for all PSUs granted on or after January 1, 2025 and outstanding as of September 27, 2025.

13. NET INCOME PER SHARE

Basic and diluted net income per share attributable to common stockholders was calculated as follows (in thousands, except share and per share data):

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Numerator:				
Net income attributable to common stockholders	\$ 8,117	\$ 5,896	\$ 18,135	\$ 11,310
Denominator:				
Weighted-average common shares outstanding				
Basic	116,603,331	115,564,382	116,323,609	115,358,274
Diluted	119,907,619	118,445,235	119,720,706	117,130,609
Net income per share attributable to common stockholders:				
Basic	\$ 0.07	\$ 0.05	\$ 0.16	\$ 0.10
Diluted	\$ 0.07	\$ 0.05	\$ 0.15	\$ 0.10

As of September 27, 2025 and December 31, 2024, 116,655,775 and 115,764,839 shares of common stock were issued and outstanding, respectively.

The following table includes the number of shares that may be dilutive common shares in the future that were not included in the computation of diluted net income per share because the effect was anti-dilutive:

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Restricted stock awards	—	—	—	14,295
Restricted stock units	—	6,693	240,049	29,700
Stock options	1,031,911	1,402,036	1,221,363	1,451,745
Stock appreciation rights	—	—	—	435,194
Performance stock units	—	—	132,414	27,708

14. SEGMENT REPORTING

The Company conducts business as one operating and reportable segment that designs, manufactures, and markets in-ground swimming pools, pool covers, and pool liners. The Company’s Chief Executive Officer, who is the chief operating decision maker (“CODM”), reviews financial information presented on a consolidated basis for purposes of assessing financial performance and allocating resources.

The Company reports consolidated net income (loss), as management believes that is the measure most consistent with the measurement principles in the Company’s condensed consolidated financial statements. Consolidated net income (loss) is used by the CODM predominantly in the annual budget and forecasting, including consideration of budget-to-actual variances when making decisions about the allocation of operating and capital resources.

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Operations of the Company's single segment consisted of the following (in thousands):

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
Net sales	\$ 161,903	\$ 150,496	\$ 445,962	\$ 421,247
Other cost of sales ⁽¹⁾	100,174	97,274	279,229	277,109
Other selling, general and administrative expense ⁽²⁾	24,669	23,915	79,427	69,875
Depreciation	5,452	4,129	15,638	11,833
Amortization ⁽³⁾	7,429	7,195	22,340	20,458
Stock-based compensation expense	1,980	1,844	5,332	5,187
Strategic initiative costs ⁽⁴⁾	684	706	2,246	2,680
Acquisition and integration related costs ⁽⁵⁾	7	1,930	289	2,305
Restructuring charges ⁽⁶⁾	—	132	160	497
Interest expense, net	6,067	9,155	19,587	20,150
Other expense (income), net	1,168	(693)	(2,187)	1,697
Earnings from equity method investment	(1,310)	(944)	(2,751)	(2,785)
Income tax expense (benefit)	7,466	(43)	8,517	931
Net income	\$ 8,117	\$ 5,896	\$ 18,135	\$ 11,310

(1) Other cost of sales includes total cost of sales (as presented in the condensed consolidated statements of operations) excluding depreciation, stock-based compensation, restructuring charges, and strategic initiative costs.

(2) Other selling, general and administrative expense includes total selling, general and administrative expense (as presented in the condensed consolidated statements of operations) excluding depreciation, amortization, stock-based compensation, strategic initiative costs and acquisition and integration related costs.

(3) Inclusive of finance lease amortization.

(4) Represents fees paid to external consultants and other expenses for our strategic initiatives.

(5) Represents acquisition and integration costs as well as other costs related to potential transactions.

(6) Represents costs that include severance and other expenses for our executive management changes.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our 2024 Annual Report on Form 10-K filed with the Securities and Exchange Commission, ("SEC") on March 5, 2025 (the "Annual Report").

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this report constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this report other than statements of historical fact may constitute forward-looking statements, including statements regarding our future operating results and financial position, our business strategy and plans, business and market trends, our objectives for future operations, macroeconomic and geopolitical conditions, changes in U.S. trade priorities, policies, regulations and tariffs, the implementation of our cost reduction plans and expected benefits, and the sufficiency of our cash balances, working capital and cash generated from operating, investing, and financing activities for our future liquidity and capital resource needs. These forward-looking statements are generally identified by the use of forward-looking terminology, including the terms "anticipate," "believe," "confident," "continue," "could," "estimate," "expect," "intend," "likely," "may," "plan," "possible," "potential," "predict," "project," "should," "target," "will," "would" and, in each case, their negative or other various or comparable terminology. These statements involve known and unknown risks, uncertainties, assumptions and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including those set forth under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in the Annual Report and as described in other subsequent reports we file or furnish with the SEC, including elsewhere in this Quarterly Report on Form 10-Q. For similar reasons, our past results may not be a reliable indicator of future performance and trends. We encourage you to read this report and our other filings with the SEC carefully. You also should be aware that these risk factors and other information do not describe every risk that we face. New emerging risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business, financial condition, results of operations and cash flows. We operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. Although we believe that the expectations reflected in the forward-looking statements are reasonable and our expectations based on third-party information and projections are from sources that management believes to be reputable, we cannot guarantee future results, levels of activities, performance, or achievements.

These forward-looking statements reflect our views with respect to future events as of the date of this Quarterly Report on Form 10-Q or the date specified herein, and we have based these forward-looking statements on our current expectations and projections about future events and trends. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we undertake no obligation to update or review publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this Quarterly Report on Form 10-Q. We anticipate that subsequent events and developments will cause our views to change. Our forward-looking statements further do not reflect the potential impact of any future acquisitions, merger, dispositions, joint ventures, or investments we may undertake. We qualify all of our forward-looking statements by these cautionary statements.

Overview

We are the largest designer, manufacturer, and marketer of in-ground residential swimming pools in North America, Australia, and New Zealand. We hold the leading position in North America in every product category in which we compete. It is our view that we are the most sought-after brand in the pool industry and the only pool company that has established a direct relationship with the homeowner. We are Latham, The Pool Company.

With an operating history that spans over 65 years, we offer the industry's broadest portfolio of pools and related products, including in-ground swimming pools, pool covers, and pool liners.

We have a heritage of innovation. In an industry that has traditionally marketed on a business-to-business basis (pool manufacturer to dealer), we pioneered the first "direct-to-homeowner" digital and social marketing strategy that has transformed the homeowner's purchase journey. Through this marketing strategy, we are able to create demand for our pools and provide high quality, purchase-ready consumer leads to our dealer partners.

Partnership with our dealers is integral to our collective success, and we have enjoyed long-tenured relationships averaging over 14 years. We support our dealer network with business development tools and co-branded marketing programs.

The full resources of our Company are dedicated to designing and manufacturing high-quality pool products, with the homeowner in mind, and positioning ourselves as a value-added partner to our dealers.

We conduct our business as one operating and reportable segment that designs, manufactures, and markets in-ground swimming pools, pool covers, and pool liners.

Our operations consist of approximately 1,850 employees across about 30 locations. The broad geographic reach of our national manufacturing and distribution network allows us to service our customers on short lead times and to deliver our products in a cost-effective manner. Our mission is to design and manufacture high-quality pool products, with the homeowner in mind, and to be a value-added partner to our dealers.

Recent Developments

Highlights for the fiscal quarter ended September 27, 2025

- Increase in net sales of 7.6%, or \$11.4 million, to \$161.9 million for the fiscal quarter ended September 27, 2025, compared to \$150.5 million for the fiscal quarter ended September 28, 2024.
- Increase in net income of \$2.2 million to a net income of \$8.1 million and representing a 5.0% net income margin for the fiscal quarter ended September 27, 2025, compared to net income of \$5.9 million and representing a 3.9% net income margin for the fiscal quarter ended September 28, 2024.
- Increase in Adjusted EBITDA (as defined below) of \$8.5 million to \$38.3 million for the fiscal quarter ended September 27, 2025, compared to \$29.8 million for the fiscal quarter ended September 28, 2024. Adjusted EBITDA margin increased from 19.8% to 23.7%.

Highlights for the three fiscal quarters ended September 27, 2025

- Increase in net sales of 5.9%, or \$24.8 million, to \$446.0 million for the three fiscal quarters ended September 27, 2025, compared to \$421.2 million for the three fiscal quarters ended September 28, 2024.
- Increase in net income of \$6.8 million to a net income of \$18.1 million and representing a 4.1% net income margin for the three fiscal quarters ended September 27, 2025, compared to net income of \$11.3 million and representing a 2.7% net income margin for the three fiscal quarters ended September 28, 2024.

- Increase in Adjusted EBITDA of \$12.8 million to \$89.4 million for the three fiscal quarters ended September 27, 2025, compared to \$76.6 million for the three fiscal quarters ended September 28, 2024. Adjusted EBITDA margin improved from 18.2% to 20.0%.

Business Update

Our current business results reflect a strong third quarter sales growth despite challenging market conditions and our results of operations for the three fiscal quarters ended September 27, 2025 were aligned with our expectations. These results were primarily driven by category share gains in autocovers, along with contributions from the Coverstar Central, LLC (“Coverstar Central”) acquisition in August 2024 and the early 2025 acquisitions of two of our smaller autocover dealers. Liners also saw growth, reflecting success in our Measure by Latham tool. Based on sales for three fiscal quarters and current business trends and market conditions, we currently project 2025 new pool starts to be flat to slightly down from 2024 levels. We are closely monitoring the potential impact of current macroeconomic and geopolitical conditions, as well as general reduced consumer confidence and increased economic uncertainty. Additionally, we recently implemented targeted price increases on certain products to help further mitigate the potential impact of tariffs.

We continue to make progress executing our strategy to drive adoption and awareness of fiberglass pools and automatic safety covers and gain additional operating efficiencies through value engineering and lean manufacturing initiatives. We continue to take a disciplined approach to capital investments, with the focus on product innovation, facility upgrades and technology and systems. Due to greater-than-expected efficiency of certain projects, we have reduced our capital expenditure estimate for 2025. These initiatives complement continued investment in our sales, marketing, engineering and research and development efforts that are designed to accelerate conversion to fiberglass pool products and ongoing digital transformation programs.

Strategic Acquisition

Strategic transactions continue to be part of our growth strategy. On August 2, 2024, we completed a stock acquisition of Coverstar Central, our exclusive dealer of automatic safety covers in 29 states – mainly in the center of the U.S. Coverstar Central has been our trusted partner since 2006, and this acquisition represented a valuable strategic opportunity that we benefited from in multiple ways. First, the vertical integration of our automatic safety cover product line in the acquired geographies increased margins. Second, as one company with a fully integrated sales and marketing strategy, we were able to accelerate the sales growth of this product line. Finally, we leveraged Coverstar Central’s long-standing relationships with pool builders in its markets to increase the awareness of, and conversion to, fiberglass pools. During the three fiscal quarters ended September 27, 2025, we further strengthened our position in this growing category by acquiring two of our smaller autocover dealers located in Tennessee and New York.

Key Performance Indicators

Net Sales

We derive our revenue from the design, manufacture, and sale of in-ground swimming pools, pool covers, and pool liners. We sell fiberglass pools, which are one-piece manufactured fiberglass pools that are ready to be installed in a consumer’s backyard, and custom vinyl pools, which are manufactured pools that are made out of non-corrosive steel, or composite polymer frame, on top of which a vinyl liner is installed. We sell liners for the interior surface of vinyl pools (including pools that were not manufactured by us). We also sell all-season covers, which are winterizing mesh or solid pool covers that protect pools against debris and cold or inclement weather, and automatic safety covers for pools that can be operated with a switch.

Our sales are made through one-step and two-step business-to-business distribution channels. In our one-step distribution channel, we sell our products directly to dealers who, in turn, sell our products to consumers. In our two-step distribution channel, we sell our products to distributors who warehouse our products and sell them on to dealers, who ultimately sell our products to consumers.

Each product shipped is considered to be one performance obligation. With the exception of our extended service warranties and our custom product contracts, we recognize our revenue when control of our promised goods is transferred to our customers (dealer in one-step distribution channel or distributor in two-step distribution channel), either upon shipment or arrival at our customer’s destination depending upon the terms of the purchase order. Sales are recognized net of any estimated rebates, returns, allowances, cash discounts, or other sales incentives. Revenue that is derived from our extended service warranties, which are separately priced and sold, is recognized over the term of the contracts. Revenue from custom products is recognized over time utilizing an input

method that compares the cost of cumulative work-in-process to date to the most current estimates for the entire cost of the performance obligation.

Gross Margin

Gross margin is gross profit as a percentage of our net sales. Gross margin depends upon several factors, such as the prices we charge buyers, changes in prices of raw materials, the volume and relative sales mix among product lines, and plant performance, among other factors. Gross margin is also impacted by the costs of distribution and occupancy costs, which can vary.

Our gross profit is variable in nature and generally follows changes in net sales. The components of our cost of sales may not be comparable to the components of cost of sales or similar measures of other companies. As a result, our gross profit and gross margin may not be comparable to similar data made available by other companies.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA margin are key metrics used by management and our Board of Directors of the Company (the “Board”) to assess our financial performance. Adjusted EBITDA and Adjusted EBITDA margin are also frequently used by analysts, investors, and other interested parties to evaluate companies in our industry, when considered alongside other GAAP measures. We use Adjusted EBITDA and Adjusted EBITDA margin to supplement GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions, to utilize as a significant performance metric in our annual management incentive bonus plan compensation, and to compare our performance against that of other companies using similar measures. We have presented Adjusted EBITDA and Adjusted EBITDA margin solely as supplemental disclosures because we believe they allow for a more complete analysis of results of operations and assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance, such as (i) depreciation and amortization, (ii) interest expense, net, (iii) income tax expense (benefit), (iv) (gain) loss on sale and disposal of property and equipment, (v) restructuring charges, (vi) stock-based compensation expense, (vii) unrealized losses (gains) on foreign currency transactions, (viii) strategic initiative costs, (ix) acquisition and integration related costs and (x) other.

Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures and should not be considered as alternatives to net income (loss) as a measure of financial performance or any other performance measure derived in accordance with GAAP, and they should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA and Adjusted EBITDA margin, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. There can be no assurance that we will not modify the presentation of Adjusted EBITDA and Adjusted EBITDA margin in the future, and any such modification may be material. Our presentation of Adjusted EBITDA and Adjusted EBITDA margin should not be construed to imply that our future results will be unaffected by any such adjustments. In addition, other companies, including companies in our industry, may not calculate Adjusted EBITDA and Adjusted EBITDA margin at all or may calculate Adjusted EBITDA and Adjusted EBITDA margin differently and accordingly, are not necessarily comparable to similarly entitled measures of other companies, which reduces the usefulness of Adjusted EBITDA and Adjusted EBITDA margin as tools for comparison.

We believe Adjusted EBITDA and Adjusted EBITDA margin are useful measurements for investors as they help identify underlying trends that could otherwise be masked by certain expenses that we do not consider indicative of our ongoing operating performance. We also use Adjusted EBITDA and Adjusted EBITDA margin for planning purposes, assessing our financial performance, and other strategic decisions. For a discussion of Adjusted EBITDA and Adjusted EBITDA margin and the limitations on their use, and the reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable GAAP financial measure, and our calculation of Adjusted EBITDA margin see “— Non-GAAP Financial Measures” below.

Results of Operations

Fiscal Quarter Ended September 27, 2025 Compared to Fiscal Quarter Ended September 28, 2024

The following table summarizes our results of operations for the fiscal quarter ended September 27, 2025 and September 28, 2024 (dollars in thousands):

	Fiscal Quarter Ended					
	September 27, 2025	% of Net Sales	September 28, 2024	% of Net Sales	Change Amount	Change in % of Net Sales
	(dollars in thousands)					
Net sales	\$ 161,903	100.0 %	\$ 150,496	100.0 %	\$ 11,407	0.0 %
Cost of sales	104,596	64.6 %	101,807	67.6 %	2,789	(3.0)%
Gross profit	57,307	35.4 %	48,689	32.4 %	8,618	3.0 %
Selling, general, and administrative expense	28,586	17.6 %	28,336	18.8 %	250	(1.2)%
Amortization	7,213	4.5 %	6,982	4.7 %	231	(0.2)%
Income from operations	21,508	13.3 %	13,371	8.9 %	8,137	4.4 %
Other expense (income):						
Interest expense, net	6,067	3.7 %	9,155	6.1 %	(3,088)	(2.4)%
Other expense (income), net	1,168	0.8 %	(693)	(0.5)%	1,861	1.3 %
Total other expense, net	7,235	4.5 %	8,462	5.6 %	(1,227)	(1.1)%
Earnings from equity method investment	1,310	0.8 %	944	0.6 %	366	0.2 %
Income before income taxes	15,583	9.6 %	5,853	3.9 %	9,730	5.7 %
Income tax expense (benefit)	7,466	4.6 %	(43)	— %	7,509	4.6 %
Net income	\$ 8,117	5.0 %	\$ 5,896	3.9 %	\$ 2,221	1.1 %
Adjusted EBITDA ^(a)	\$ 38,328	23.7 %	\$ 29,829	19.8 %	\$ 8,499	3.9 %

(a) Adjusted EBITDA is a non-GAAP measure. See “Non-GAAP Financial Measures” for a reconciliation to net income, the most directly comparable GAAP measure, and for information regarding our use of Adjusted EBITDA.

Net Sales

Net sales were \$161.9 million for the fiscal quarter ended September 27, 2025, compared to \$150.5 million for the fiscal quarter ended September 28, 2024. The \$11.4 million, or 7.6%, increase in net sales was due to a \$8.4 million increase in sales volume and a \$3.0 million increase from higher pricing. The sales volume increase was primarily driven by organic- and acquisition-related growth. The increase in net sales of \$11.4 million across our product lines consisted of an increase of \$7.1 million for covers, \$3.7 million for liners and a \$0.6 million increase for in-ground swimming pools.

Cost of Sales and Gross Margin

Cost of sales was \$104.6 million for the fiscal quarter ended September 27, 2025, compared to \$101.8 million for the fiscal quarter ended September 28, 2024. Gross margin increased by 3.0%, to 35.4% of net sales for the fiscal quarter ended September 27, 2025, compared to 32.4% of net sales for the fiscal quarter ended September 28, 2024. The \$2.8 million, or 2.7%, increase in cost of sales was primarily the result of the increase in sales volume, partially offset by the impact of production efficiencies resulting from lean manufacturing and value engineering programs. The 3.0% increase in gross margin was primarily driven by the accretive benefit of the three Coverstar acquisitions, lean manufacturing and value engineering initiatives and production efficiencies.

Selling, General, and Administrative Expense

Selling, general, and administrative expense was \$28.6 million for the fiscal quarter ended September 27, 2025, compared to \$28.3 million for the fiscal quarter ended September 28, 2024. The \$0.3 million, or 0.9%, increase in selling, general, and administrative expense was primarily driven by increased marketing and personnel investment tied to our Sand States strategy and

investments in new enterprise resource planning (“ERP”) infrastructure, partially offset by the timing of performance based compensation.

Amortization

Amortization was \$7.2 million for the fiscal quarter ended September 27, 2025, compared to \$7.0 million for the fiscal quarter ended September 28, 2024. The \$0.2 million, or 3.3%, increase in amortization was driven by the three Coverstar acquisitions.

Interest Expense, net

Interest expense, net was \$6.1 million for the fiscal quarter ended September 27, 2025, compared to \$9.2 million for the fiscal quarter ended September 28, 2024. The \$3.1 million, or 33.7%, decrease in interest expense, net was primarily the result of the change in the fair value of our interest rate swap, compared to the fiscal quarter ended September 28, 2024.

Other Expense (Income), Net

Other expense, net was \$1.2 million for the fiscal quarter ended September 27, 2025, compared to other income, net of \$ (0.7) million for fiscal quarter ended September 28, 2024. The \$1.9 million increase in other expense, net was primarily driven by an unfavorable change in net foreign currency transaction gains and losses associated with our international subsidiaries.

Earnings from Equity Method Investment

Earnings from our equity method investment in Premier Pools & Spa were \$1.3 million for the fiscal quarter ended September 27, 2025, compared to \$0.9 million for the fiscal quarter ended September 28, 2024, due to the financial performance of Premier Pools & Spa.

Income Tax Expense (Benefit)

Income tax expense was \$7.5 million for the fiscal quarter ended September 27, 2025, compared to income tax benefit of less than \$0.1 million for the fiscal quarter ended September 28, 2024. Our effective tax rate was 47.9% for the fiscal quarter ended September 27, 2025, compared to (0.7)% for the fiscal quarter ended September 28, 2024. The difference between the U.S. federal statutory income tax rate and our effective income tax rate for both the fiscal quarters ended September 27, 2025 and September 28, 2024 was primarily attributable to the discrete impact of stock-based compensation expense for which there is no associated tax benefit and the effects of branch accounting for Latham Canada.

Net Income

Net income was \$8.1 million for the fiscal quarter ended September 27, 2025, compared to \$5.9 million for the fiscal quarter ended September 28, 2024. The \$2.2 million, or 37.7%, increase in net income was primarily because of the factors described above.

Net Income Margin

Net income margin was 5.0% for the fiscal quarter ended September 27, 2025, compared to 3.9% for the fiscal quarter ended September 28, 2024. The 1.1% increase in net income margin was driven by the factors described above.

Adjusted EBITDA

Adjusted EBITDA was \$38.3 million for the fiscal quarter ended September 27, 2025, compared to \$29.8 million for the fiscal quarter ended September 28, 2024. The \$8.5 million, or 28.5%, increase in Adjusted EBITDA was primarily because of the gross profit growth from increase in net sales, as well as the other factors described above.

Adjusted EBITDA Margin

Adjusted EBITDA margin was 23.7% for the fiscal quarter ended September 27, 2025, compared to 19.8% for the fiscal quarter ended September 28, 2024. The 3.9% increase in Adjusted EBITDA margin was primarily because of a \$8.5 million increase in Adjusted EBITDA, compared to the fiscal quarter ended September 28, 2024, which was impacted by the factors described above.

Three Fiscal Quarters Ended September 27, 2025 Compared to Three Fiscal Quarters Ended September 28, 2024

The following table summarizes our results of operations for the three fiscal quarters ended September 27, 2025 and September 28, 2024:

	Three Fiscal Quarters Ended					
	September 27, 2025	% of Net Sales	September 28, 2024	% of Net Sales	Change Amount	Change in % of Net Sales
	(dollars in thousands)					
Net sales	\$ 445,962	100.0 %	\$ 421,247	100.0 %	\$ 24,715	0.0 %
Cost of sales	291,811	65.4 %	288,948	68.6 %	2,863	(3.2)%
Gross profit	154,151	34.6 %	132,299	31.4 %	21,852	3.2 %
Selling, general, and administrative expense	91,146	20.4 %	81,174	19.3 %	9,972	1.1 %
Amortization	21,704	4.9 %	19,822	4.7 %	1,882	0.2 %
Income from operations	41,301	9.3 %	31,303	7.4 %	9,998	1.9 %
Other expense (income):						
Interest expense, net	19,587	4.4 %	20,150	4.8 %	(563)	(0.4)%
Other (income) expense, net	(2,187)	(0.5)%	1,697	0.4 %	(3,884)	(0.9)%
Total other expense, net	17,400	3.9 %	21,847	5.2 %	(4,447)	(1.3)%
Earnings from equity method investment	2,751	0.6 %	2,785	0.7 %	(34)	(0.1)%
Income before income taxes	26,652	6.0 %	12,241	2.9 %	14,411	3.1 %
Income tax expense	8,517	1.9 %	931	0.2 %	7,586	1.7 %
Net income	\$ 18,135	4.1 %	\$ 11,310	2.7 %	\$ 6,825	1.4 %
Adjusted EBITDA ^(a)	\$ 89,354	20.0 %	\$ 76,598	18.2 %	\$ 12,756	1.8 %

(a) Adjusted EBITDA is a non-GAAP measure. See “Non-GAAP Financial Measures” for a reconciliation to net income, the most directly comparable GAAP measure, and for information regarding our use of Adjusted EBITDA.

Net Sales

Net sales were \$446.0 million for the three fiscal quarters ended September 27, 2025, compared to \$421.2 million for the three fiscal quarters ended September 28, 2024. The \$24.8 million, or 5.9%, increase in net sales was due to a \$22.8 million increase in sales volume and a \$2.0 million increase from higher pricing. The sales volume increase was primarily driven by both organic- and acquisition-related growth. The increase in net sales across our product lines consisted of an increase of \$23.6 million for covers and \$5.0 million for liners, partially offset by a decrease of \$3.9 million for in-ground swimming pools.

Cost of Sales and Gross Margin

Cost of sales was \$291.8 million for the three fiscal quarters ended September 27, 2025, compared to \$288.9 million for the three fiscal quarters ended September 28, 2024. Gross margin increased by 3.2%, to 34.6% of net sales for the three fiscal quarters ended September 27, 2025, compared to 31.4% of net sales for the three fiscal quarters ended September 28, 2024. The \$2.9 million increase in cost of sales was primarily the result of the increase in sales volume, partially offset by the impact of production efficiencies resulting from lean manufacturing and value engineering programs. The 3.2% increase in gross margin was primarily driven by higher volumes, lean manufacturing and value engineering initiatives, and a margin benefit from the three Coverstar acquisitions.

Selling, General, and Administrative Expense

Selling, general, and administrative expense was \$91.1 million for the three fiscal quarters ended September 27, 2025, compared to \$81.2 million for the three fiscal quarters ended September 28, 2024. The \$9.9 million, or 12.3%, increase in selling, general, and administrative expense was primarily driven by increased marketing and personnel investment tied to our Sand State strategy, investments in new ERP infrastructure and the inclusion of Coverstar Central.

Amortization

Amortization was \$21.7 million for the three fiscal quarters ended September 27, 2025, compared to \$19.8 million for the three fiscal quarters ended September 28, 2024. The \$1.9 million, or 9.5%, increase in amortization was driven by the three Coverstar acquisitions.

Interest Expense, net

Interest expense, net was \$19.6 million for the three fiscal quarters ended September 27, 2025, compared to \$20.2 million for the three fiscal quarters ended September 28, 2024. The \$0.6 million, or 2.8%, decrease in interest expense, net was the result of the change in the fair value of our interest rate swap and a decrease in the outstanding balance of long-term debt, compared to the three fiscal quarters ended September 28, 2024.

Other (Income) Expense, Net

Other income, net was \$2.2 million for the three fiscal quarters ended September 27, 2025, compared to other expense, net of \$1.7 million for the three fiscal quarters ended September 28, 2024. The \$3.9 million increase in other income, net was primarily driven by a favorable change in net foreign currency transaction gains and losses associated with our international subsidiaries.

Earnings from Equity Method Investment

Earnings from our equity method investment in Premier Pools & Spa were \$2.8 million for the three fiscal quarters ended September 27, 2025, largely unchanged from the three fiscal quarters ended September 28, 2024, due to the financial performance of Premier Pools & Spa.

Income Tax Expense

Income tax expense was \$8.5 million for the three fiscal quarters ended September 27, 2025, compared to income tax expense of \$0.9 million for the three fiscal quarters ended September 28, 2024. Our effective tax rate was 32.0% for the three fiscal quarters ended September 27, 2025, compared to 7.6% for the three fiscal quarters ended September 28, 2024. The difference between the U.S. federal statutory income tax rate and our effective income tax rate for both the three fiscal quarters ended September 27, 2025 and September 28, 2024 was primarily attributable to the discrete impact of stock-based compensation expense for which there is no associated tax benefit and the effects of branch accounting for Latham Canada.

Net Income

Net income was \$18.1 million for the three fiscal quarters ended September 27, 2025, compared to \$11.3 million for the three fiscal quarters ended September 28, 2024. The \$6.8 million, or 60.3%, increase in net income was primarily because of the factors described above.

Net Income Margin

Net income margin was 4.1% for the three fiscal quarters ended September 27, 2025, compared to 2.7% for the three fiscal quarters ended September 28, 2024. The 1.4% increase in net income margin was driven by a \$6.8 million increase in net income, compared to the three fiscal quarters ended September 28, 2024 because of the factors described above.

Adjusted EBITDA

Adjusted EBITDA was \$89.4 million for the three fiscal quarters ended September 27, 2025, compared to \$76.6 million for the three fiscal quarters ended September 28, 2024. The \$12.8 million, or 16.7%, increase in Adjusted EBITDA was primarily because of the increase in net sales that more than offset higher selling, general and administrative expense, as well as the other factors described above.

Adjusted EBITDA Margin

Adjusted EBITDA margin was 20.0% for the three fiscal quarters ended September 27, 2025, compared to 18.2% for the three fiscal quarters ended September 28, 2024. The 1.8% increase in Adjusted EBITDA margin was primarily because of the \$12.8 million increase in Adjusted EBITDA, compared to the three fiscal quarters ended September 28, 2024, which was impacted by the other factors described above.

Non-GAAP Financial Measures

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA and Adjusted EBITDA margin are key metrics used by management and our Board to assess our financial performance. Adjusted EBITDA and Adjusted EBITDA margin are also frequently used by analysts, investors, and other interested parties to evaluate companies in our industry, when considered alongside other GAAP measures. We use Adjusted EBITDA and Adjusted EBITDA margin to supplement GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions, to utilize as a significant performance metric in our annual management incentive bonus plan compensation, and to compare our performance against that of other companies using similar measures. We have presented Adjusted EBITDA and Adjusted EBITDA margin solely as supplemental disclosures because we believe they allow for a more complete analysis of results of operations and assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance, such as (i) depreciation and amortization, (ii) interest expense, net, (iii) income tax expense (benefit), (iv) (gain) loss on sale and disposal of property and equipment, (v) restructuring charges, (vi) stock-based compensation expense, (vii) unrealized losses (gains) on foreign currency transactions, (viii) strategic initiative costs, (ix) acquisition and integration related costs and (x) other.

Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP financial measures and should not be considered as alternatives to net income (loss) as a measure of financial performance or any other performance measure derived in accordance with GAAP, and they should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA and Adjusted EBITDA margin, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. There can be no assurance that we will not modify the presentation of Adjusted EBITDA and Adjusted EBITDA margin in the future, and any such modification may be material. Our presentation of Adjusted EBITDA and Adjusted EBITDA margin should not be construed to imply that our future results will be unaffected by any such adjustments. In addition, other companies, including companies in our industry, may not calculate Adjusted EBITDA and Adjusted EBITDA margin at all or may calculate Adjusted EBITDA and Adjusted EBITDA margin differently and accordingly, are not necessarily comparable to similarly entitled measures of other companies, which reduces the usefulness of Adjusted EBITDA and Adjusted EBITDA margin as tools for comparison.

Adjusted EBITDA and Adjusted EBITDA margin have their limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are that Adjusted EBITDA and Adjusted EBITDA margin:

- do not reflect every expenditure, future requirements for capital expenditures or contractual commitments;
- do not reflect changes in our working capital needs;
- do not reflect the interest expense, or the amounts necessary to service interest or principal payments, on our outstanding debt;
- do not reflect income tax expense (benefit), and because the payment of taxes is part of our operations, tax expense is a necessary element of our costs and ability to operate;
- do not reflect non-cash stock-based compensation, which will remain a key element of our overall compensation package; and
- do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations.

Although depreciation and amortization are eliminated in the calculation of Adjusted EBITDA and Adjusted EBITDA margin, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA and Adjusted EBITDA margin do not reflect any costs of such replacements.

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Management compensates for these limitations by primarily relying on our GAAP results, while using Adjusted EBITDA and Adjusted EBITDA margin as supplements to the corresponding GAAP financial measures.

The following table provides a reconciliation of our net income to Adjusted EBITDA for the periods presented and the calculation of Adjusted EBITDA margin:

	Fiscal Quarter Ended		Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024	September 27, 2025	September 28, 2024
	(dollars in thousands)			
Net income	\$ 8,117	\$ 5,896	\$ 18,135	\$ 11,310
Depreciation and amortization	12,881	11,323	37,978	32,291
Interest expense, net	6,067	9,155	19,587	20,150
Income tax expense (benefit)	7,466	(43)	8,517	931
(Gain) loss on sale and disposal of property and equipment	(26)	41	20	118
Restructuring charges ^(a)	—	132	160	497
Stock-based compensation expense ^(b)	1,980	1,844	5,332	5,187
Unrealized losses (gains) on foreign currency transactions ^(c)	1,181	(722)	(2,878)	1,668
Strategic initiative costs ^(d)	684	706	2,246	2,680
Acquisition and integration related costs ^(e)	7	1,930	289	2,305
Other ^(f)	(29)	(433)	(32)	(539)
Adjusted EBITDA	\$ 38,328	\$ 29,829	\$ 89,354	\$ 76,598
Net sales	\$ 161,903	\$ 150,496	\$ 445,962	\$ 421,247
Net income margin	5.0 %	3.9 %	4.1 %	2.7 %
Adjusted EBITDA margin	23.7 %	19.8 %	20.0 %	18.2 %

(a) Represents costs that include severance and other expenses for our executive management changes.

(b) Represents non-cash stock-based compensation expense.

(c) Represents unrealized foreign currency transaction losses (gains) associated with our international subsidiaries.

(d) Represents fees paid to external consultants and other expenses for our strategic initiatives.

(e) Represents acquisition and integration costs as well as other costs related to potential transactions.

(f) Other costs consist of other discrete items as determined by management, primarily including (i) fees paid to external advisors for various matters and (ii) other items.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity are existing cash on hand, net cash provided by operating activities and availability under our Revolving Credit Facility (as defined below). Historically, we have funded working capital requirements, capital expenditures, payments related to acquisitions, and debt service requirements with internally generated cash on hand, borrowings under our credit facilities, and the issuance of shares of our common stock. Our primary cash needs are to fund working capital, capital expenditures, debt service requirements, any acquisitions, or investments we may undertake, and any share repurchases we may make. As of September 27, 2025, we had \$70.5 million of cash, \$281.1 million of outstanding indebtedness and an additional \$75.0 million of borrowing availability under our Revolving Credit Facility.

Our primary working capital requirements are for the purchase of inventory, payroll, rent, facility costs and other selling, general, and administrative costs. Our working capital requirements fluctuate during the fiscal year, driven primarily by seasonality and the timing of raw material purchases. Our capital expenditures are primarily related to investments in lean manufacturing and value engineering, including production capacity, diversifying our product offerings, storage, and delivery equipment. We are in the midst of a multi-year capital plan to invest in our facilities, technology, and systems.

We believe that our existing cash, cash generated from operations and availability under our Revolving Credit Facility will be adequate to fund our operating expenses and capital expenditure requirements over the next 12 months, as well as our longer-term liquidity needs. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. We may issue debt or equity securities, which may provide an additional source of liquidity. However, there can be no assurance equity or debt financing will be available to us when we need it or, if available, the terms will be satisfactory to us and not dilutive to our then-current stockholders.

Our Indebtedness

On February 23, 2022, Latham Pool Products, Inc. (“Latham Pool Products”), our wholly owned subsidiary, and certain subsidiary guarantors entered into a credit and guaranty agreement (the “Credit Agreement”) with Barclays Bank PLC, which provides a senior secured multicurrency revolving line of credit in an initial principal amount of \$75.0 million (the “Revolving Credit Facility”) and a U.S. Dollar senior secured term loan (the “Term Loan”) in an initial principal amount of \$325.0 million.

The obligations under the Credit Agreement are guaranteed by certain of our wholly owned subsidiaries as defined in the security agreement. The obligations under the Credit Agreement are secured by substantially all of the guarantors’ tangible and intangible assets, including, but not limited to, their accounts receivables, equipment, intellectual property, inventory, cash and cash equivalents, deposit accounts and security accounts.

We are required to meet certain financial covenants, including maintain specific liquidity measurements. There are also negative covenants, including certain restrictions on our ability and the ability of our subsidiaries to incur additional indebtedness, create liens, make investments, consolidate or merge with other entities, enter into transactions with affiliates, make prepayments with respect to certain indebtedness, make dividend payments, loans, or advances to us, declare dividends and make restricted payments and other distributions.

As of September 27, 2025, we were in compliance with all covenants under the Credit Agreement.

Revolving Credit Facility

The Revolving Credit Facility may be utilized to finance ongoing general corporate and working capital needs and permits Latham Pool Products to borrow loans in U.S. Dollars, Canadian Dollars, Euros and Australian Dollars. The Revolving Credit Facility matures on February 23, 2027. Loans outstanding under the Revolving Credit Facility denominated in U.S. Dollars and Canadian Dollars bear interest, at the borrower’s option, at a rate per annum based on Term SOFR or CDO (each, as defined in the Credit Agreement), as applicable, plus a margin of 3.50%, or at a rate per annum based on the Base Rate or the Canadian Prime Rate (each, as defined in the Credit Agreement), plus a margin of 2.50%. Loans outstanding under the Revolving Credit Facility denominated in Euros or Australian Dollars bear interest based on EURIBOR or the AUD Rate (each, as defined in the Credit Agreement), respectively, plus a margin of 3.50%. A commitment fee accrues on any unused portion of the commitments under the Revolving

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Credit Facility. The commitment fee is due and payable quarterly in arrears, and initially was 0.375% per annum and thereafter accrues at a rate per annum ranging from 0.25% to 0.50%, depending on the First Lien Net Leverage Ratio (as defined in the Credit Agreement). Borrowings under the Revolving Credit Facility are not subject to amortization and are due at maturity.

During the three fiscal quarters ended September 27, 2025, we repaid the \$25.0 million of outstanding borrowings on the Revolving Credit Facility. As of September 27, 2025, we had no outstanding borrowings under the Revolving Credit Facility and \$75.0 million was available for future borrowing.

Term Loan

The Term Loan matures on February 23, 2029. Loans outstanding under the Term Loan bear interest, at the borrower's option, at a rate per annum based on Term SOFR (as defined in the Credit Agreement), plus a margin ranging from 3.75% to 4.00%, depending on the First Lien Net Leverage Ratio, or based on the Base Rate (each, as defined in the Credit Agreement), plus a margin ranging from 2.75% to 3.00%, depending on the First Lien Net Leverage Ratio. Loans under the Term Loan are subject to scheduled quarterly amortization payments equal to 0.25% of the initial principal amount of the Term Loan.

As of September 27, 2025, we had \$281.1 million of outstanding borrowings under the Term Loan.

Share Repurchase Program

On May 10, 2022, our Board approved a stock repurchase program (the "Repurchase Program"), which authorized us to repurchase up to \$100 million of our shares of common stock by May 2025. We did not repurchase any shares of our common stock during the three fiscal quarters ended September 27, 2025, and our Repurchase Program expired on May 10, 2025. We do not have an effective stock repurchase program.

Cash Flows

The following table summarizes our sources and uses of cash for each of the periods presented:

	Three Fiscal Quarters Ended	
	September 27, 2025	September 28, 2024
	(in thousands)	
Net cash provided by operating activities	\$ 40,121	\$ 55,150
Net cash used in investing activities	(21,094)	(77,907)
Net cash used in financing activities	(4,918)	(20,198)
Effect of exchange rate changes on cash	11	54
Net increase (decrease) in cash	<u>\$ 14,120</u>	<u>\$ (42,901)</u>

Operating Activities

During the three fiscal quarters ended September 27, 2025, operating activities provided \$40.1 million of cash. Net income, after adjustments for non-cash items, provided cash of \$67.3 million. Cash provided by operating activities was partially reduced by changes in our operating assets and liabilities, which used \$27.1 million. Net cash used by changes in our operating assets and liabilities for the three fiscal quarters ended September 27, 2025 consisted primarily of a \$50.4 million increase in trade receivables, a \$5.6 million increase in income tax receivable, a \$0.8 million increase in prepaid expenses and other current assets, a \$0.5 million decrease in other long-term liabilities and a \$0.2 million increase in other assets, partially offset by a \$16.3 million increase in accounts payable, a \$7.3 million decrease in inventories and a \$6.7 million increase in accrued expenses and other current liabilities. The change in trade receivables was primarily driven by the increase and timing of net sales and the change in accounts payable were primarily driven by volume of purchases and timing of payments.

During the three fiscal quarters ended September 28, 2024, operating activities provided \$55.2 million of cash. Net income, after adjustments for non-cash items, provided cash of \$60.3 million. Cash provided by operating activities was further impacted by changes in our operating assets and liabilities, which used \$5.2 million. Net cash used by changes in our operating assets and liabilities for the three fiscal quarters ended September 28, 2024 consisted primarily of a \$35.6 million increase in trade receivables, a \$6.6

million increase in income tax receivable, a \$2.3 million increase in prepaid expenses and other current assets and a \$0.6 million increase in other long-term liabilities, partially offset by a \$25.5 million decrease in inventories, a \$10.4 million increase in accounts payable, a \$3.4 million increase in accrued expenses and other current liabilities, and a \$0.6 million decrease in other assets. The change in trade receivables was primarily driven by the timing of net sales, the change in inventories was driven by efforts to meet a reduced demand outlook while maintaining lead times and service levels and the changes in accounts payable were primarily driven by volume of purchases and timing of payments.

Investing Activities

During the three fiscal quarters ended September 27, 2025, investing activities used \$21.1 million of cash, consisting of purchases of property and equipment for \$16.2 million and the acquisition of two of our autocover dealers of \$4.9 million. The purchase of property and equipment was primarily to expand capacity for production and diversify offerings, especially for fiberglass pools, as well as on-going strategic initiatives such as digital transformation.

During the three fiscal quarters ended September 28, 2024, investing activities used \$77.9 million of cash, consisting of our acquisition of Coverstar Central for cash consideration of \$64.0 million, net of cash acquired, and purchases of property and equipment for \$13.9 million. The purchase of property and equipment was primarily to expand capacity for production and diversify offerings, especially for fiberglass pools, the majority of which related to finishing up carryover projects from the prior fiscal year.

Financing Activities

During the three fiscal quarters ended September 27, 2025, financing activities used \$4.9 million of cash, primarily consisting of common stock withheld for taxes on restricted stock units of \$2.7 million, Term Loan payments of \$1.6 million and repayments of finance lease obligations of \$0.6 million.

During the three fiscal quarters ended September 28, 2024, financing activities used \$20.2 million of cash, primarily consisting of repayments on long-term debt borrowings of \$19.6 million and repayments of finance lease obligations of \$0.6 million.

Contractual Obligations

There have been no material changes, outside of the ordinary course of business, to our contractual obligations during the three fiscal quarters ended September 27, 2025 from those described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations” in our Annual Report.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States. Throughout the preparation of these financial statements, we have made estimates and assumptions that impact the reported amounts of assets, liabilities, and the disclosure of contingent liabilities at the date of the financial statements and revenues and expenses during the reporting period. Our critical accounting policies and estimates are described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates” in our Annual Report and Note 2 to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q. These estimates are based on historical results, trends, and other assumptions we believe to be reasonable. We evaluate these estimates on an ongoing basis. Actual results may differ from estimates.

Recently Issued and Adopted Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position, results of operations or cash flows, and notes to such financial statements, is disclosed in Note 2 to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the potential loss that may result from market changes associated with our business or with an existing or forecasted financial transaction. The value of a financial instrument may change as a result of changes in interest rates, exchange rates, commodity prices, equity prices and other market changes. We are exposed to changes in interest rates and foreign currency exchange rates because we finance certain operations through variable rate debt instruments and denominate some of our transactions in foreign currencies. Changes in these rates may have an impact on future cash flow and earnings. We manage these risks through normal operating and financing activities.

During the three fiscal quarters ended September 27, 2025, there have been no material changes to the information included under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations— Quantitative and Qualitative Disclosures about Market Risk” in our Annual Report.

Interest Rate Risk

We entered into an interest rate swap that was executed on March 10, 2023 (the “2023 Interest Rate Swap”). The 2023 Interest Rate Swap had an effective date of May 18, 2023 and a termination date of May 18, 2026. Under the terms of the 2023 Interest Rate Swap, we fixed our SOFR borrowing rate on a notional amount of \$161.0 million. The 2023 Interest Rate Swap was not designated as a hedging instrument for accounting purposes.

Additionally, we entered into a new interest rate swap that was executed on June 4, 2025 (the “2025 Interest Rate Swap”). As part of the 2025 Interest Rate Swap, we terminated the 2023 Interest Rate Swap prior to its May 18, 2026 termination date. The 2025 Interest Rate Swap became effective on May 19, 2025 and has a termination date of May 18, 2027. Under the terms of the 2025 Interest Rate Swap, we fixed our SOFR borrowing rate on a notional amount of \$140.0 million. The 2025 Interest Rate Swap is not designated as a hedging instrument for accounting purposes.

An increase or decrease of 1% in the effective interest rate, giving effect related to interest rate swaps, as of September 27, 2025, would cause an increase or decrease to annual interest expense, net of approximately \$1.4 million.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 27, 2025. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of September 27, 2025.

Changes in Internal Control over Financial Reporting

Starting in the second quarter of 2024, as part of a multi-year implementation of an ERP system, the Company began utilizing certain aspects of the new ERP system. Eventually, this ERP system will replace the existing core financial systems. The ERP system is designed to accurately maintain the Company's financial records, enhance the flow of financial information, improve data management and provide timely information to its management team. The Company does not believe the changes implemented to date represent a material change in internal control over financial reporting.

There were no other changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of a control system must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements related to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in legal proceedings in the ordinary course of business, including, among others, contract and employment claims, personal injury claims, intellectual property claims, product liability claims and warranty claims, some of which may be covered by insurance. Currently, there are no legal proceedings against us that we believe will have a material adverse effect on our business, financial condition, results of operations or cash flows. Further, no material legal proceedings were terminated, settled, or otherwise resolved during the fiscal quarter ended September 27, 2025. However, the results of any current or future legal proceedings cannot be predicted with certainty and, regardless of the outcome, we may incur significant costs and experience a diversion of management resources as a result of legal proceedings.

Item 1A. Risk Factors

We have disclosed under the heading "Risk Factors" in our Annual Report, the risk factors that materially affect our business, financial condition, and results of operations. There have been no material changes from the risk factors previously disclosed in our Annual Report. You should carefully consider the risks, uncertainties, assumptions and other important factors set forth in the Annual Report and other subsequent reports we file with the SEC, including this Quarterly Report on Form 10-Q, any of which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied. For similar reasons, our past results may not be a reliable indicator of future performance and trends. You also should be aware that these risk factors and other information do not describe every risk that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may affect us. We operate in a very competitive and rapidly changing environment and new risks emerge from time to time, and we anticipate that subsequent events and developments will cause our views to change. In addition, these risks do not reflect the potential impact of any future acquisitions, merger, dispositions, joint ventures or investments we may undertake. Any of these known or emerging factors may materially adversely affect our business, financial condition, and operating results, as well as the trading price of our common stock.

Item 5. Other Information

Rule 10b5-1 Trading Plans – Directors and Section 16 Officers

During the fiscal quarter ended September 27, 2025, none of the Company’s directors or Section 16 officers adopted or terminated (i) any contract, instruction or written plan for the purchase or sale of Company securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) of the Exchange Act or (ii) any “non-Rule 10b5-1 trading arrangement.”

Item 6. Exhibits

Exhibit

No.	Description
3.1	Amended and Restated Certificate of Incorporation of Latham Group, Inc. (incorporated by reference to Exhibit 3.1 to Latham Group, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on June 3, 2021 (File No. 001-40358))
3.2	Amended and Restated Bylaws of Latham Group, Inc. (incorporated by reference to Exhibit 3.2 to Latham Group, Inc.'s Quarterly Report on Form 10-Q filed with the SEC on June 3, 2021 (File No. 001-40358))
10.1*†	Latham Group, Inc. Amended and Restated Non-Employee Director Compensation Plan
10.2*†	First Amended Latham Pool Products, Inc. Officer Severance Plan, dated August 1, 2025
10.3*†	Form of Nonqualified Option Award Agreement under the 2021 Omnibus Equity Incentive Plan dated October 2025
10.4*†	Form of Performance Stock Unit Award Agreement under the 2021 Omnibus Equity Incentive Plan dated October 2025
10.5*†	Form of Restricted Stock Award Agreement under the 2021 Omnibus Equity Incentive Plan dated October 2025
10.6*†	Form of Restricted Stock Unit Award Agreement under the 2021 Omnibus Equity Incentive Plan dated October 2025
10.7*†	Form of Stock Appreciation Right Award Agreement under the 2021 Omnibus Equity Incentive Plan dated October 2025
31.1*	Certification of CEO, pursuant to SEC Rule 13a-14(a) and 15d-14(a)
31.2*	Certification of CFO, pursuant to SEC Rule 13a-14(a) and 15d-14(a)
32.1**	Certification by the CEO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification by the CFO, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

† Indicates management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 5, 2025

LATHAM GROUP, INC.

/s/ Oliver C. Gloe

Oliver C. Gloe
Chief Financial Officer
(Principal Financial Officer)

**Amended and Restated
Non-Employee Director Compensation Policy
(Effective October 31, 2024)**

Each “non-employee director” of Latham Group, Inc. (the “Company”) will be entitled to receive the following compensation (directors that are (i) employees of the Company or any of its subsidiaries or (ii) directors that are employed by or affiliated with our Sponsors (Pamplona Capital Management, LLC and Wynnchurch Capital, L.P.) shall not be entitled to the compensation listed below or any additional compensation in respect of their service as a member of the Company’s board of directors (the “Board”)):

1. Annual Cash Retainer: \$75,000; to be paid in quarterly installments.
2. Annual Equity Grant: \$95,000. The number of shares granted will be equal to \$95,000 divided by the fair market value of the underlying stock on the date of grant. The Annual Equity Grant will be shares of restricted stock or restricted stock units and such shares will vest and the restrictions will lapse on the first anniversary of the date of grant, unless the director is removed for cause or resigns prior to such date.
3. Chairman of the Board: (COB):
 - a. Annual COB Cash Retainer \$50,000; to be paid in quarterly instalments.
 - b. Annual COB Equity Grant \$30,000. The number of shares granted will be equal to \$30,000 divided by the fair market value of the underlying stock on the date of grant. The Annual COB Equity Grant will be shares of restricted stock or restricted stock units and such shares will vest and the restrictions will lapse on the first anniversary of the date of grant, unless the COB is removed for cause or resigns prior to such date.
4. Audit Committee: Retainer for Chairperson of the Audit Committee: \$20,000; paid in quarterly installments.
5. Compensation Committee: Retainer for the Chairperson of the Compensation Committee: \$15,000; paid in quarterly installments.
6. Nominating and Corporate Governance Committee: Retainer for the Chairperson of the Nominating and Corporate Governance Committee: \$10,000; paid in quarterly installments.
7. Payments: All cash retainer payments are made in quarterly installments and in arrears. In the event a director resigns or retires from the Board in good standing prior to the end of a quarter, the director will be paid on a pro rata basis through their last date of service in that quarter.
8. Amendment; Modification; Termination & Administration. This policy is to be administered by the Company’s Compensation Committee or their designee, unless the Board determines to administer this policy itself (the Committee or Board, as applicable, in its role administering this policy, the “Administrator”). The Administrator is permitted to amend or modify the policy in its discretion.



**FIRST AMENDED
LATHAM POOL PRODUCTS, INC.
OFFICER SEVERANCE PROGRAM**

Effective August 1, 2025

This Officer Severance Program (the “Program”) is a severance pay plan within the meaning of Labor Regulations Section 2510.3-2. The Program is intended to be an unfunded “employee welfare benefit plan” as defined in Section 3(1) of ERISA. The Program provides benefits to a select group of management or highly compensated employees of the Company in connection with specified terminations of employment. This document serves as both the summary plan description and the plan document for the Program.

ARTICLE I – DEFINITIONS

1.1 Definitions.

Whenever the following terms are used in the Program, with the first letter capitalized, they shall have the meanings specified below.

“Administrator” shall mean the Compensation Committee or its delegate for any Eligible Officer who is an Executive Officer as defined by Section 16 of the Securities Exchange Act of 1934, or who reports directly to the CEO, and shall mean the CEO or his delegate for any other officer.

“Affiliate” shall mean a person with the power to direct the management and policies of the subject person or entity, whether through the ownership of voting securities, by contract or otherwise.

“Base Salary” shall mean an Eligible Officer's annualized gross base salary in effect as of such person's Severance Date excluding any overtime, bonuses or other supplemental compensation; provided, if the Eligible Officer's employment terminates due to Good Reason based on a reduction in the Eligible Officer's base salary, the Eligible Officer's annual base salary will be determined as the rate in effect immediately before such reduction.

“Cause” shall mean (A) embezzlement, theft, misappropriation or conversion, or attempted embezzlement, theft, misappropriation or conversion, by an Eligible Officer of any property, funds or business opportunity of the Company or any of its Affiliates; (B) willful failure or refusal by an Eligible Officer to perform any directive of the Board of Directors of the Company or the Parent, or the CEO, or the duties of his or her employment which continues for a period of thirty (30) days following notice thereof by the Board of Directors of the Company or the Parent or the CEO to the Eligible Officer; (C) any act by an Eligible Officer constituting a felony (or its equivalent in any non-United States jurisdiction) or otherwise involving theft, fraud, dishonesty, misrepresentation or moral turpitude; (D) indictment for, conviction of, or plea of nolo contendere (or a similar plea) to, or the failure of an Eligible Officer to contest his or her prosecution for, any other criminal offense; (E) any violation of any law, rule or regulation relating in any way to the business or activities of the Company or any of its Affiliates, or other law that is violated during the course of an Eligible Officer's performance of services, regulatory disqualification, or failure to comply with any legal or compliance policies or code of ethics, code of business conduct, conflicts of interest policy or similar policies of the Company or any of its Affiliates; (F) gross negligence or material willful misconduct on the part of an Eligible Officer in the performance

of his or her duties as an employee, officer or director of the Company or any of its Affiliates; (G) an Eligible Officer's breach of fiduciary duty or duty of loyalty to the Company or any of its Affiliates; (H) any act or omission to act of an Eligible Officer intended to materially harm or damage the business, property, operations, financial condition or reputation of the Company or any of its Affiliates; (I) an Eligible Officer's failure to cooperate, if requested by the Board of Directors of the Company or Parent, with any investigation or inquiry into the business practices, whether internal or external, of the Company or any of its Affiliates, including an Eligible Officer's refusal to be deposed or to provide testimony or evidence at any trial, proceeding or inquiry; (J) any chemical dependence of an Eligible Officer which materially interferes with the performance of his or her duties and responsibilities to the Company or any of its Affiliates; or (K) an Eligible Officer's voluntary resignation or other termination of employment affected by an Eligible Officer at any time when the Company or any of its Affiliates could effect such termination with Cause.

"CEO" shall mean the Chief Executive Officer of the Company or Parent.

"Change in Control" shall have the meaning set forth in the Omnibus Equity Plan.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Compensation Committee" shall mean the Compensation Committee of the Board of Directors of Parent, or a subcommittee thereof, or its authorized delegate. The Board of Directors of Parent may, at any time and from time to time, administer this Program and, in such case, the Board shall have the authority granted to the Compensation Committee under the Program.

"Company" shall mean Latham Pool Products, Inc. or any successor corporation thereof resulting from merger, consolidation, or transfer of assets substantially as a whole, to the extent the Program is assumed by or assigned to such successor.

"Detrimental Activity" shall mean (i) violating terms of any restrictive covenant or confidentiality obligation that provides a benefit to the Company or any of its Affiliates, (ii) disclosing confidential or proprietary business information of the Company or any of its Affiliates to any person or entity including but not limited to a competitor, vendor or customer without appropriate authorization from the Company or any of its Affiliates, (iii) violating any rules, policies, procedures or guidelines of the Company or any of its Affiliates, (iv) directly or indirectly soliciting any employee of the Company or any of its Affiliates to terminate employment with the Company or any of its Affiliates, (v) directly or indirectly soliciting or accepting business from any customer or potential customer or encouraging any customer, potential customer or supplier of the Company or any of its Affiliates, to reduce the level of business it does with the Company or any of its Affiliates, (vi) engaging in any other conduct or act that is determined to be injurious, detrimental or prejudicial to any interest of the Company or any of its Affiliates, or (vii) being convicted of, or entry of a guilty plea with respect to, a felony, whether or not connected with the Company or any of its Affiliates.

"Eligible Officer" shall mean (i) the CEO of the Company or Parent, (ii) all officers of the Company or Parent, as determined by the Administrator to participate in the Program, and (iii) any person who becomes such an officer of the Company or Parent as of June 28, 2023, in each case, if such individual (a) satisfies the eligibility requirements set forth in Article II hereof and (b) does not have a written agreement with the Company or any of its Affiliates entitling the individual to severance benefits upon separation.

"Employer" shall mean the Company or, if applicable, any parent (including Parent), subsidiary or Affiliate of the Company that employs any Eligible Officer.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto. References to any section of or rule promulgated under ERISA shall be deemed to include any rules, regulations or other interpretive guidance under such section or rule, and any amendments or successors thereto.

“Good Reason” shall mean (i) a material diminution in an Eligible Officer’s authority, duties or responsibilities; (ii) a material adverse change in an Eligible Officer’s title or reporting relationship; or (iii) a material decrease in an Eligible Officer’s total cash compensation, in aggregate (in dollars), including base salary and target bonus except for (A) reductions affecting all or substantially all officers of the Company or Parent, as applicable and (B) adjustments to the structure of the Company’s or Parent’s incentive based compensation plans and/or programs and form of awards.

Clauses (i) and (ii) above will not be deemed to have occurred if the sole change is the Company becoming a subsidiary of another entity.

Notwithstanding the foregoing, Good Reason will not exist unless: (i) an Eligible Officer provides the Employer written notice of the existence of Good Reason within 60 days of its initial existence; (ii) the Employer has a 30-day opportunity to remedy the Good Reason condition and does not so remedy the condition; and (iii) an Eligible Officer separates from service within 30 days after the cure period described in clause (ii).

“Officer Severance” shall mean the benefit, if any, payable pursuant to Section 3.1 hereof, except as otherwise provided in a written agreement between the Eligible Officer and the Employer.

“Omnibus Equity Plan” shall mean the Latham Group, Inc. 2021 Omnibus Equity Incentive Plan, as amended from time to time, and including any predecessor or successor equity plan of the Company or Parent.

“Parent” shall mean Latham Group, Inc. or any successor corporation thereof resulting from merger, consolidation, or transfer of assets substantially as a whole.

“Severance Date” shall mean the date that an Eligible Officer has a “separation from service,” as defined in Treasury Regulations section 1.409A-1(h) or any successor thereto.

ARTICLE II - ELIGIBILITY

2. Eligibility Requirements.

(a) An Eligible Officer shall be eligible to receive Officer Severance only if the Eligible Officer (i) amends any agreement, including any employment agreement, in effect as of June 28, 2023 with the Company or any of its Affiliates that currently provides such person with any severance benefits, which such amendment shall nullify any such severance benefits and provide for participation in the Program and (ii) enters into an offer letter agreement with the Company and, if applicable, any employment agreement with the Company or any of its subsidiaries is effectively terminated.

(b) An Eligible Officer satisfying the requirements of Section 2(a) hereof shall be eligible to receive Officer Severance only if the Administrator has determined that (i) the Eligible Officer resigned for Good Reason or (ii) the Eligible Officer was involuntarily terminated by the Employer for reasons other than for Cause. Involuntary termination shall include, but shall not be limited to, termination resulting from a reduction in force or a restructuring, or mutual agreement between the Eligible Officer and the Employer that a termination shall be deemed involuntary.

(c) An officer shall not be eligible to receive Officer Severance unless the officer executes a valid release of claims, a non-compete and non-solicitation agreement and any other document deemed appropriate by the Administrator in connection with the Eligible Officer's severance ("Separation Documents"), the forms of which are attached hereto in Exhibit A and which may be amended from time to time in the Company's sole discretion to comply with applicable law. In this case, an officer shall be entitled to Officer Severance only if both of the following requirements are satisfied no later than the date that is 60 days after such person's Severance Date:

(i) the officer executes and delivers a valid release in the form attached hereto as Exhibit A of all claims and any other Separation Documents required by the Administrator; and

(ii) the release and any other Separation Documents required by the Administrator becomes effective and irrevocable in accordance with its terms.

ARTICLE III - BENEFITS PAYABLE UNDER THE PROGRAM

3.1 Amount of Officer Severance.

(a) The CEO shall receive a benefit equal to one and one half times the CEO's Base Salary.

(b) Any other Eligible Officer shall receive a benefit equal to one times the Eligible Officer's Base Salary, except that the VP, Controller (or person with similar responsibilities) shall receive nine months of such Eligible Officer's Base Salary.

(c) For the period during which an Eligible Officer is receiving Officer Severance, to the extent permitted by the Code and other applicable law and to the extent timely elected by the Eligible Officer, the Employer shall reimburse the Eligible Officer for the full cost of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act or similar state law ("COBRA"). The Employer shall provide continuation coverage for such Eligible Officer and such person's eligible dependents until the earliest of (x) the last day on which the Eligible Officer receives a payment of Officer Severance in accordance with Section 3.2(a) hereof, (y) the Eligible Officer or such person's eligible dependents, as the case may be, ceasing to be eligible under COBRA, and (z) the Eligible Officer becoming eligible for coverage under the health insurance plan of a subsequent employer. If the Employer is unable to provide, or is unable to continue to provide, continuation coverage as contemplated hereunder due to restrictions imposed by law, the Employer shall pay the Eligible Officer a cash amount equal to the payment of health insurance coverage at the applicable active employee rate on a monthly basis for the remaining severance period.

(d) The Compensation Committee may determine, in its sole and absolute discretion, that the Eligible Officer shall be eligible to continue to vest in such person's equity awards (including, without limitation, stock options, stock appreciation rights, restricted stock, restricted stock units and performance shares) under the Omnibus Equity Plan, while receiving Officer Severance under the Program, to the extent permitted under the applicable equity award agreements, the Omnibus Equity Plan, the Code and other applicable law.

(e) In the event of a termination without Cause or a termination with Good Reason within 12 months following a Change in Control, in addition to Officer Severance set forth elsewhere in this Section 3.1, all outstanding equity-based awards granted to the Eligible Officer under the Omnibus Equity Plan or any other plan or arrangement with the Company or any of its Affiliates shall become fully vested as of the Severance Date; provided, for any performance-based equity award, such award shall become

vested based on target. Further, in the event of a termination due to death or disability, (i) all outstanding equity-based awards granted to the Eligible Officer under the Omnibus Equity Plan or any other plan or arrangement with the Company or any of its Affiliates shall vest on a pro-rated basis based on the number of full months of service completed during the applicable vesting period; provided, for any performance-based equity award, such award shall become vested based on actual performance, and (ii) notwithstanding anything to the contrary in the applicable equity award agreement, any vested stock option or stock appreciation right granted under the Omnibus Equity Plan shall expire on the earlier of the last day of the "Option Period" or "SAR Period" (as defined in the Omnibus Equity Plan or an applicable award agreement) and the date that is one year after the date of termination.

3.2 Payment of Officer Severance.

(a) Except as provided otherwise in this Section 3.2, Officer Severance shall be paid in accordance with the Employer's regular payroll practices for similarly situated active employees and shall be paid ratably over a period of one year for each Eligible Officer (or, in the case of the CEO, over 18 months, and in the case of the VP, Controller, over nine months) following such person's Severance Date; provided, however, that in the event of a termination under Section 3.1(e) hereof, the Officer Severance shall be payable in a single lump sum payment, as soon as reasonably practicable following such person's Severance Date, but in accordance with the requirements of Section 3.2(b) hereof.

(b) Officer Severance payments (including a lump sum payment in the event of a termination under Section 3.1(e)) shall not be made until the date the Separation Documents required pursuant to Section 2(c) hereof become effective and irrevocable in accordance with their terms. The payments shall commence on the first regular payroll date after the release becomes irrevocable in accordance with its terms, and the remaining payments, as applicable, shall be made on the Employer's regular payroll dates during the remainder of the period set forth in Section 3.2(a) hereof. The first payment will cover the time period from the Severance Date through such payment date, as applicable. Notwithstanding the foregoing, if the time period to sign and not revoke the release begins in one taxable year and ends in a second taxable year, the Officer Severance payments will not commence until the second taxable year.

(c) Interest shall not accrue or be payable on any Officer Severance.

3.3. Detrimental Activity and Breach

Upon a determination by the Administrator that such Eligible Officer engaged in Detrimental Activity, or breached the offer letter under which Officer Severance is provided to such person under the Program, (i) payments of Officer Severance and reimbursement of COBRA to an Eligible Officer shall cease immediately, as applicable, and (ii) the Eligible Officer shall be obligated to repay to the Employer all benefits previously paid to, or on behalf of, the Eligible Officer under the Program.

3.4 Termination of Officer Severance Upon Re-employment.

The payment of Officer Severance to an Eligible Officer will terminate and any remaining benefits will be forfeited in the event that the Eligible Officer is subsequently re-employed by the Employer before such person receives the full Officer Severance and reimbursement of COBRA to which such person is entitled under the Program.

ARTICLE IV - PLAN ADMINISTRATION

4.1 Powers and Duties of the Administrator.

The Administrator shall be the Plan Administrator, as defined in Section 3(16)(A) of ERISA. The Administrator shall enforce the Program in accordance with its terms, and shall be charged with the general administration of the Program. In accordance with Section 4.2 hereof, the Administrator shall have all powers and duties necessary to accomplish its purposes. The Administrator may delegate any or all of its duties under the Program to the extent permitted under applicable law and the regulations of any applicable national securities exchange.

4.2 Manner of Administering.

The Administrator shall have full discretionary authority and the exclusive right to construe and interpret the terms and provisions of the Program and to carry out its other powers and duties, and to determine any and all questions arising under the Program or in connection with the administration thereof, including, without limitation, the right to remedy or resolve possible ambiguities, inconsistencies, or omissions, by general rule or particular decision. The actions, interpretations or constructions of the Administrator shall be final, binding, and conclusive on all parties, including but not limited to the Company and its Affiliates and any Eligible Officers, and shall be given the maximum possible deference allowed by law.

ARTICLE V - AMENDMENT AND TERMINATION

The Program shall continue in effect through December 31, 2026, after which the Program shall automatically renew for successive one-year terms unless terminated at any time after December 31, 2026, by the Administrator in its sole discretion with at least twelve (12) months prior written notice. In the event the Program terminates, no Eligible Officer shall have any claim against any assets of the Employer. Further, any Officer Severance payments commencing before such date shall continue thereafter in the manner provided herein. In the event of a Change in Control, the Program shall not be subject to any amendment or termination for a period of 6 months prior to a Change of Control or 24 months after a Change of Control, except with respect to any affected Eligible Officer to the extent such person consents to the amendment.

Except as provided for in the prior paragraph, the Administrator reserves the right to amend the Program at any time and for any reason in its sole discretion; provided, any amendment that would materially and adversely affect the rights of any Eligible Officer shall not be effective without the consent of the affected Eligible Officer unless required by applicable law.

Notwithstanding anything herein, the Chief Human Resources Officer of the Company or Parent (or such person's delegate) shall have the power to amend the Program at any time solely to the extent necessary to ensure compliance with applicable law or effectuate the legal intent of the Program, including the intent that the Program constitute a severance pay welfare benefit plan under Labor Regulations section 2510.3-2(b)(ii), and that no payment under the Program would constitute deferred compensation within the meaning of Code section 409A. Any other amendment shall require approval by the Administrator.

Any amendment shall be in writing and effective in the manner and at the time therein set forth, and the Company and all Eligible Officers and others shall be bound thereby.

ARTICLE VI - MISCELLANEOUS

6.1 Limitation of Eligible Officers' Rights.

(a) Payments made under the Program shall not give any employee the right to be retained in the employ of the Employer or any right or interest under the Program other than as herein provided. The Eligible Officer acknowledges that the Eligible Officer remains an at-will employee and nothing in the Program limits the right of the Employer to dismiss any Eligible Officer for any reason, with or without notice. Inclusion under the Program will not give any Eligible Officer any right to claim any benefit hereunder except to the extent such right has specifically become fixed under the terms of the Program. An Eligible Officer shall not have any recourse towards satisfaction of such benefit becoming fixed under the terms of the Program from other than the general assets of such person's Employer.

(b) Payments made under the Program shall not give any employee the right to any benefits provided only to employees retained in the employ of the Employer. Except as may otherwise be required by law or set forth specifically in such plans or in an agreement between the Employer and the Eligible Officer, such benefits shall be terminated as of the Severance Date.

(c) The Eligible Officer understands that the Company has adopted a clawback policy (which may be amended from time to time) pursuant to which the Company, in certain cases, may reduce, cancel, or require the recovery of all or a portion of a person's compensation.

6.2 Unsecured General Creditor.

All Eligible Officers and their heirs, successors, assigns and personal representatives shall have no legal or equitable rights, claims, or interests in any specific property or assets of the Employer with respect to benefits payable under the Program. No assets of the Employer shall be held under any trust, or held in any way as collateral security for the fulfillment of the obligations of the Employer under the Program. The Employer's assets shall be, and remain, the general, unpledged, unrestricted assets of the Employer. The Employer's obligation under the Program shall be merely that of an unfunded and unsecured promise to pay money in the future, and the rights of all Eligible Officers shall be no greater than those of unsecured general creditors.

6.3 Non-Duplication of Benefits.

Benefits payable under the Program are in lieu of, and not in addition to, any other severance, separation, change in control or similar type of benefit payable under a severance, separation, change in control or similar plan, policy, agreement or arrangement of the Employer, including any such benefits payable by the Employer under a labor agreement or by operation of law, including without limitation the Worker Adjustment and Retraining Notification Act or any similar state law. Accordingly, notwithstanding any provision of the Program to the contrary, benefits payable under the Program will be reduced and forfeited by the amount of benefits payable under any and all such other plans, policies, agreements or arrangements or by operation of law.

6.4 Withholding.

There shall be deducted from each payment under the Program all taxes that are required to be withheld by the Employer with respect to such payment. The Employer shall have the right to reduce any payment by (i) the amount of cash sufficient to provide the amount of said taxes, and (ii) an amount

of cash equal to the amount of any contributions that the Eligible Officer has elected to make to any medical, welfare, or retirement plan maintained by the Employer in accordance with the terms and provisions of those plans.

6.5 Restriction Against Alienation.

None of the benefits, payments, proceeds or claims of any Eligible Officer shall be subject to any claim of any creditor and, in particular, the same shall not be subject to attachment or garnishment or other legal process by any creditor, nor shall any such Eligible Officer have any right to alienate, anticipate, commute, pledge, encumber or assign any of the benefits or payments or proceeds which such person may expect to receive, contingently or otherwise, under the Program. Notwithstanding the above, benefits which are in pay status may be subject to a garnishment or wage assignment made pursuant to a court order, or a tax levy.

6.6 Governing Law.

The Program shall be construed, administered, and governed in all respects under applicable federal law, and to the extent that federal law is inapplicable, under the laws of the State of New York, in each case without reference to conflict of law principles thereof; provided, however, that if any provision is susceptible to more than one interpretation, such interpretation shall be given thereto as is consistent with the Program being a "top hat" welfare benefit plan within the meaning of Section 3(1) of ERISA and Labor Regulations section 2520.104-24. If any provision of this instrument shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall continue to be fully effective.

Any action in connection with the Program may be brought only in Federal District Court in Albany County, New York, and must be commenced within one year after the cause of action accrues.

6.7 Headings, etc., Not Part of Agreement.

Headings and subheadings in the Program are inserted for convenience of reference only and are not to be considered in the construction of the provisions hereof.

6.8 Correction of Errors.

If the Administrator determines, in its sole discretion, that the Program has made an overpayment to any individual, the Administrator may recover the amount of the overpayment by requiring the payee to return the excess payments to the Program, reducing any future Program payments to the payee, or any other method deemed reasonable by the Administrator.

If the Administrator determines, in its sole discretion, that the Program has made an underpayment to any individual, the Administrator may correct the underpayment by making a lump-sum payment to the payee, increasing any future Program payments to the payee, or any other method deemed reasonable by the Administrator.

6.9 Internal Revenue Code Section 409A.

It is intended that the Program (and any payments) will be exempt from or in compliance with Internal Revenue Code Section 409A ("Section 409A"), and the Program (and any payments) shall be interpreted and construed on a basis consistent with such intent. The term "termination of employment" and similar terms relating to an Eligible Officer's termination of employment mean a "separation from

service” as that term is defined under Section 409A. Each payment made under the Program shall be treated as a separate payment for purposes of Section 409A. Whenever a payment under the Program specifies a payment period with reference to a number of days, the actual date of payment within the specified period is within the sole discretion of the Administrator. If any benefits payable under the Program constitute non-qualified deferred compensation under Section 409A, such benefit shall commence on the first payroll scheduled after the expiration of the 60-day period immediately following the Severance Date, provided that the Separation Documents becomes effective and irrevocable during such 60-day period. If an Eligible Officer is a “specified employee” (as that term is used in Section 409A) on the Severance Date, any benefits payable under the Program that constitute non-qualified deferred compensation under Section 409A shall be delayed until the earlier of (A) the business day following the six-month anniversary of the Severance Date, and (B) the date of the Eligible Officer’s death, but only to the extent necessary to avoid such penalties under Section 409A. On the earlier of (X) the business day following the six-month anniversary of the Severance Date, and (Y) the Eligible Officer’s death, the Company shall pay the Executive Officer in a lump sum the aggregate value of the non-qualified deferred compensation that the Company otherwise would have paid the Eligible Officer prior to that date. The Program (and any payments) may be amended (in accordance with Article V of the Program) in any respect deemed necessary or desirable (including retroactively) by the Company with the intent to preserve exemption from or compliance with Section 409A. The preceding shall not be construed as a guarantee of any particular tax effect for Program payments. An Eligible Officer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on such person in connection with the Program (including any taxes and penalties under Section 409A), and the Company shall not have any obligation to indemnify or otherwise hold a participant harmless from any or all of such taxes or penalties.

6.10 Claims and Issues.

From time to time, claims or issues may arise that involve the Program. The resolution, settlement or adjudication of these claims or issues may result in an agreement or order that is not expressly contemplated under the Program document, including the payment of benefits which differ from the amounts generally payable under the Program. Any such agreements and orders will be respected to the extent that, as determined in the sole discretion of the Administrator, they do not violate any applicable statute, government regulation or ruling.

6.11 Claims Procedures.

To make a claim for payment under the Program, an Eligible Officer must submit a detailed, written explanation of such person’s claim to the Administrator within 90 days after such person’s employment is terminated. To dispute the amount of any payment, an Eligible Officer must submit a detailed, written explanation of such person’s claim to the Administrator within 90 days after payment is made.

If a claim is denied, in whole or in part, the Eligible Officer will receive a written explanation from the Administrator within 90 days of the date such person’s claim is received. If special circumstances exist, the 90-day period may be extended an additional 90 days by the Administrator. If an extension is necessary, the Administrator will provide written notice to the Eligible Officer of the extension within the original 90-day period. This explanation will include: (i) the reason(s) for denial, (ii) references to any applicable Program provisions on which the denial is based, (iii) a description of any additional information the Eligible Officer may need to submit and the reason the additional information is necessary and (iv) information on how to appeal the claim denial with the Administrator. The Eligible Officer will be provided, upon request and free of charge, reasonable access to and copies of any information relevant to such person’s claim.

To appeal a claim denial, the Eligible Officer should send a written appeal to the Administrator with any relevant materials in support of such person's appeal within 60 days of receiving the denial of the claim. The Administrator will respond to the appeal in writing within 60 days. The 60-day period may be extended up to another 60 days if the Administrator determines that special circumstances require an extension of time, but if there is an extension, the Eligible Officer will be notified in writing before the original time period ends. If the appeal is denied, in whole or in part, the Administrator's response will include: (i) the reason(s) for denial, (ii) references to any applicable Program provisions on which the denial is based, and (iii) a statement that the Eligible Officer is entitled to receive, upon request and free of charge, reasonable access to and copies of any information relevant to the claim.

No Eligible Officer shall be permitted to bring legal action, including a lawsuit, either in law or equity, until after such Eligible Officer has exhausted and complied with the claims and appeals provisions described above. If an Eligible Officer does not receive a response to such person's claim or appeal within any of the applicable deadlines, such person's request will be deemed denied and the Eligible Officer will be treated as having exhausted such person's administrative remedies under the Program. An Eligible Officer may not bring legal action, including a lawsuit, either in law or equity, more than one year after a final decision is rendered on a claim. In order to raise an issue in any legal action related to the claim, an Eligible Officer must have clearly raised such issue during the claims and appeals procedure described above.

6.12 Section 280G of the Code.

If any payment or benefit an Eligible Officer would receive pursuant to a Change in Control from the Company or otherwise ("Payment") would (i) constitute a "parachute payment" within the meaning of Code Section 280G, and (ii) but for this sentence, be subject to the excise tax imposed by Code Section 4999 (the "Excise Tax"), then the Company shall cause to be determined, before any amounts of the Payment are paid to such Eligible Officer, which of the following two amounts would maximize an Eligible Officer's after-tax proceeds: (i) payment in full of the entire amount of the Payment (a "Full Payment"), or (ii) payment of only a part of the Payment so that the Eligible Officer receives the largest payment possible without the imposition of the Excise Tax (a "Reduced Payment"), whichever amount results in the Eligible Officer's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax.

For purposes of determining whether to make a Full Payment or a Reduced Payment, the Company shall cause to be taken into account all applicable federal, state and local income and employment taxes and the Excise Tax (all computed at the highest applicable marginal rate, net of the maximum reduction in federal income taxes which could be obtained from a deduction of such state and local taxes). If a Reduced Payment is made, (i) the Payment shall be paid only to the extent permitted under the Reduced Payment alternative, and the Eligible Officer shall have no rights to any additional payments and/or benefits constituting the Payment, and (ii) reduction in payments and/or benefits shall occur in the following order: reduction of cash payments, cancellation of accelerated vesting of stock awards, and reduction of other benefits.

In the event that acceleration of compensation from an Eligible Officer's equity awards is to be reduced, such acceleration of vesting shall be canceled in the reverse order of the date of grant unless the Eligible Officer elects in writing a different order for cancellation. The independent registered public accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the Change in Control shall make all determinations required to be made under this Section 6.12. If the independent registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint a different nationally recognized independent registered public accounting firm to make

the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such independent registered public accounting firm required to be made hereunder. The independent registered public accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and the Eligible Officer within 15 days after the date on which the Executive Officer's right to a Payment is triggered (if requested at that time by the Company or the Eligible Officer) or at such other time as requested by the Company. If the independent registered public accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and the Eligible Officer with an opinion reasonably acceptable to the Eligible Officer that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and the Eligible Officer.

6.12 Waiver

Failure to insist upon strict compliance with any term or condition of the Program shall not be deemed a waiver of such term or condition. The waiver of a breach of any term or condition of the Program by any party shall not be deemed to constitute the waiver of any other breach of the same or any other term of condition.

6.13 Entire Agreement

This Program contains the entire agreement and understanding with respect to the matters covered herein and supersedes all prior or contemporaneous negotiations, commitments, consents, agreements and writings with respect to matters covered by this Program. In case of a conflict between the terms of this Program and the provisions of the Omnibus Equity Plan, an award agreement or other agreement with the Company, the terms of this Program shall prevail.

6.14 Severability

The provisions of the Program are severable, and if any provision(s) or any part of any provision(s) is held to be illegal, void or invalid under applicable law, such provision(s) may be changed to the extent reasonably necessary to make the provision(s), as so changed, legal, valid and binding, and to reflect the original intentions of the parties as nearly as possible in accordance with applicable law. The Program shall be construed according to its fair meaning and not strictly for or against either party.

6.15 Construction.

As used in the Program, the singular may include the plural, unless the context clearly indicates to the contrary.

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed by its duly authorized officer on the date indicated below.

LATHAM POOL PRODUCTS, INC.

/s/ Nikki Vaughan Maczko
Chief Human Resources Officer

August 1, 2025

PROGRAM INFORMATION**Sponsor/Administrator**

Latham Pool Products, Inc.
787 Watervliet Shaker Road
Latham, NY 12110
518-951-1000

Plan Name

Latham Pool Products, Inc. Officer Severance Program

Plan Number

502

Plan Sponsor's Employer Identification Number

27-1694029

Agent for Service of Process

Latham Pool Products, Inc.
787 Watervliet Shaker Road
Latham, NY 12110
518-951-1000

Plan Funding

Funds for the Program are paid out of the general assets of the Company.

Plan Year

The calendar year beginning January 1 and ending December 31.

Your Rights Under ERISA

As a participant in the Program, you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants shall be entitled to:

- Examine, without charge, at the Administrator's office and at other specified locations, such as work sites, all documents governing the plan, including insurance contracts and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Administrator, copies of documents governing the operation of the plan, including insurance contracts and copies of the latest annual report (Form 5500 Series) and an updated summary plan description. The Administrator may make a reasonable charge for the copies.

- Receive a summary of the plan's annual financial report. The Administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "Fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries.

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court, **but only after you have exhausted the plan's claims and appeals procedure.** If plan Fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the party you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees (for example, if the court finds that your claim is frivolous).

Assistance With Your Questions

If you have any questions about the Program, you should contact the Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Administrator, you should contact the nearest office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor. The EBSA can be reached at:

Employee Benefits Security Administration
U.S. Department of Labor, Public Disclosure Room, Suite N-1513
200 Constitution Avenue N.W.
Washington, D.C. 20210
1-202-693-8673

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the EBSA publications hotline.

Exhibit A

Separation Documents

LATHAM GROUP, INC.
2021 OMNIBUS EQUITY INCENTIVE PLAN
NONQUALIFIED OPTION AWARD AGREEMENT

THIS NONQUALIFIED OPTION AWARD AGREEMENT (this “Agreement”), is entered into as of [____], 20[] (the “Date of Grant”), by and between Latham Group, Inc., a Delaware corporation (the “Company”), and [_____] (the “Participant”). Capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to such terms in the Latham Group, Inc. 2021 Omnibus Equity Incentive Plan, as amended, restated or otherwise modified from time to time in accordance with its terms (the “Plan”).

WHEREAS, the Company has adopted the Plan, pursuant to which options to acquire shares of Common Stock may be granted (“Options”); and

WHEREAS, the Committee has determined that it is in the best interests of the Company and its stockholders to grant the award provided for herein to the Participant on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Option.

(a) Grant. The Company hereby grants to the Participant an Option to purchase [_____] shares of Common Stock (such shares, the “Option Shares”), on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan. The Option is not intended to qualify as an Incentive Stock Option. The Options shall vest in accordance with Section 2. The Exercise Price shall be \$[_____] per Option Share.

(b) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant’s beneficiary in respect of any questions arising under the Plan or this Agreement. The Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

2. Vesting. Except as may otherwise be provided herein, subject to the Participant’s continued employment with, appointment as a director of, or engagement to provide services to, the Company or an Affiliate, the Options shall vest and become exercisable in equal installments on each of the first [●] anniversaries of the Date of Grant (each such date, a “Vesting Date”). Any

fractional Option Shares resulting from the application of the vesting schedule shall be aggregated and the Option Shares resulting from such aggregation shall vest on the final Vesting Date.

3. Termination of Employment or Services.

Except as otherwise expressly set forth herein, if the Participant's employment with, membership on the board of directors of, or engagement to provide services to, the Company and its Affiliates terminates for any reason, the unvested portion of the Option shall be canceled immediately and the Participant shall immediately forfeit without any consideration any rights to the Option Shares subject to such unvested portion. If the Participant's employment with, membership on the board of directors of, or engagement to provide services to, the Company and its Affiliates terminates on account of such Participant's Disability or death, then the unvested portion of the Option shall vest in full on the date of such Participant's Disability or death, as applicable. If the Participant's employment with or engagement to provide service to the Company and its Affiliates terminates on account of such Participant's Retirement, then the unvested portion of the Option shall continue to vest in accordance with Section 2.

4. Expiration.

(a) In no event shall all or any portion of the Option be exercisable after the tenth annual anniversary of the Date of Grant (such ten-year period, the "Option Period"); provided, that if the Option Period would expire at a time when trading in the shares of Common Stock is prohibited by the Company's securities trading policy (or Company-imposed "blackout period"), the Option Period shall be automatically extended until the 30th day following the expiration of such prohibition (but not to the extent that any such extension would otherwise violate Section 409A of the Code).

(b) If, prior to the end of the Option Period, the Participant's employment with, directorship with, or engagement to provide services to, the Company and all Affiliates is terminated without Cause or by the Participant for any reason, then the Option shall expire on the earlier of the last day of the Option Period or the date that is 90 days after the date of such termination; provided, however, that if the Participant's employment, directorship or engagement to provide services to the Company and its Affiliates is terminated and the Participant is subsequently rehired, reappointed or reengaged by the Company or any Affiliate within 90 days following such termination and prior to the expiration of the Option, the Participant shall not be considered to have undergone a termination of employment or service, as applicable. In the event of a termination described in this subsection (b), the Option shall remain exercisable by the Participant until its expiration only to the extent that the Option was exercisable at the time of such termination.

(c) If (i) the Participant's employment with, directorship with, or engagement to provide services to, the Company is terminated prior to the end of the Option Period on account of such Participant's Disability, (ii) the Participant dies while still a director of, or still in the employ or engagement of the Company or an Affiliate, or (iii) the Participant dies following a termination described in subsection (b) above but prior to the expiration of an Option, the Option shall expire on the earlier of the last day of the Option Period or the date that is one year after the date of termination on account of Disability or death of the Participant, as applicable. In such event, the

Option shall remain exercisable by the Participant or Participant's beneficiary, as applicable, until its expiration only to the extent that the Option was exercisable by the Participant at the time of such event.

(d) If the Participant's employment with the Company or a Subsidiary is terminated prior to the end of the Option Period on account of such Participant's Retirement, the Option shall expire on the earlier of the last day of the Option Period or the date that is 90 days after the date of termination on account of Retirement of the Participant. For purposes of this Section 4(d):

- (i) "Retirement" means (i) the termination of the Participant's employment with the Company or a Subsidiary was (a) voluntarily made by the Participant, or (b) mutually agreed upon by between the Participant and the Company, and, in each case, without Cause, as determined by the Committee, in its sole discretion, (ii) the Participant has provided a minimum of five Years of Service to the Company or a Subsidiary and attained a minimum age of 60, in each case, as of the date of such termination, and (iii) the Participant has provided six months advanced notice of such Participant's consideration of retirement to the Company (or to the Board, if the Participant is subject to Section 16 of the Exchange Act), as determined by the Committee in its sole discretion.
- (ii) "Years of Service" means a Participant's total number of years of employment with the Company or a Subsidiary based on a period of employment beginning on the Participant's date of hire by the Company or a Subsidiary and ending on the date of termination of the Participant's employment with the Company or a Subsidiary; provided that, Years of Services shall not include any period of a Participant's employment with a Subsidiary or a business acquired by the Company prior to the date that such Subsidiary or business was acquired by the Company.

(e) If the Participant ceases employment with or engagement to provide services to the Company or any Affiliates or is removed as a director due to a termination for Cause, the Option (whether vested or unvested) shall expire immediately upon such termination.

5. Method of Exercise and Form of Payment. No Option Shares shall be delivered pursuant to any exercise of the Option until payment in full to the Company of the Exercise Price and an amount equal to any U.S. federal, state, local and non-U.S. income and employment taxes required to be withheld. The Option may be exercised by delivery of written or electronic notice of exercise to the Company or its designee (including a third-party-administrator) in accordance with the terms hereof. The Exercise Price and all applicable required withholding taxes shall be payable (i) in cash, check, cash equivalent and/or in shares of Common Stock valued at the Fair Market Value at the time the Option is exercised (including, pursuant to procedures approved by the Committee, by means of attestation of ownership of a sufficient number of shares of Common Stock in lieu of actual delivery of such shares to the Company); provided that such shares of Common Stock are not subject to any pledge or other security interest; or (ii) by such other method as the Committee may permit, including without limitation: (A) in other property having a Fair Market Value equal to the Exercise Price and all applicable required withholding taxes or (B) if there is a public market

for the shares of Common Stock at such time, by means of a broker-assisted “cashless exercise” pursuant to which the Company is delivered a copy of irrevocable instructions to a stockbroker to sell the shares of Common Stock otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding taxes; or (C) by means of a “net exercise” procedure effected by withholding the number of shares of Common Stock otherwise deliverable in respect of an Option that are needed to pay for the Exercise Price and all applicable required withholding taxes. Any fractional shares of Common Stock resulting from the application of this Section 5 shall be settled in cash.

6. Rights as a Stockholder. The Participant shall not be deemed for any purpose to be the owner of any shares of Common Stock subject to this Option unless, until and to the extent that (i) this Option shall have been exercised pursuant to its terms, (ii) the Company shall have issued and delivered to the Participant the Option Shares and (iii) the Participant’s name shall have been entered as a stockholder of record with respect to such Option Shares on the books of the Company. The Company shall cause the actions described in clauses (ii) and (iii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws.

7. Compliance with Legal Requirements.

(a) **Generally.** The granting and exercising of the Option, and any other obligations of the Company under this Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Participant agrees to take all steps that the Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant’s rights under this Agreement.

(b) **Tax Withholding.** Any exercise of the Option shall be subject to the Participant satisfying any applicable U.S. federal, state and local tax withholding obligations and non-U.S. tax withholding obligations. The Company shall have the right and is hereby authorized to withhold from any amounts payable to the Participant in connection with the Option or otherwise the amount of any required withholding taxes in respect of the Option, its exercise or any payment or transfer of the Option or under the Plan and to take any such other action as the Committee or the Company deem necessary to satisfy all obligations for the payment of such withholding taxes (up to the maximum permissible withholding amounts). The Participant may elect to satisfy, and the Company may require the Participant to satisfy, in whole or in part, the tax obligations by withholding shares of Common Stock that would otherwise be received upon exercise of the Option with a Fair Market Value equal to such withholding liability. For exercises of the Option occurring during a blackout period under the Company’s insider trading policy, the Company shall arrange for the sale of a number of shares of Common Stock to be delivered to the Participant to satisfy the applicable withholding obligations. Such shares of Common Stock shall be sold on behalf of the Participant through the Company’s transfer agent on the facilities of the Nasdaq or through the facilities of any other exchange on which the Common Stock is listed at the time of such sale.

8. Clawback. Notwithstanding anything to the contrary contained herein, the Committee may cancel the Option award if the Participant, without the consent of the Company, has engaged in or engages in activity that is in conflict with or adverse to the interest of the Company or any Affiliate while employed by, serving as a director of, or otherwise providing services to the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, or violates the covenants set forth on Exhibit A attached hereto or any other non-competition, non-solicitation, non-disparagement or non-disclosure covenant or agreement with the Company or any Affiliate (after giving effect to any applicable cure period set forth therein), as determined by the Committee. In such event, the Participant will forfeit any compensation, gain or other value realized thereafter on the vesting or exercise of the Option, the sale or other transfer of the Option, or the sale of shares of Common Stock acquired in respect of the Option, and must promptly repay such amounts to the Company. If the Participant receives any amount in excess of what the Participant should have received under the terms of the Option for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), all as determined by the Committee, then the Participant shall be required to promptly repay any such excess amount to the Company. To the extent required by applicable law and/or the rules and regulations of the Nasdaq or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or if so required pursuant to a written policy adopted by the Company, the Option shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

9. Restrictive Covenants.

(a) Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the Participant shall be subject to the confidentiality and restrictive covenants set forth on Exhibit A attached hereto, which Exhibit A is incorporated herein and forms part of this Agreement.

(b) In the event that the Participant violates any of the restrictive covenants referred to in this Section 9, in addition to any other remedy that may be available at law or in equity, the Option shall be automatically forfeited effective as of the date on which such violation first occurs. The foregoing rights and remedies are in addition to any other rights and remedies that may be available to the Company and shall not prevent (and the Participant shall not assert that they shall prevent) the Company from bringing one or more actions in any applicable jurisdiction to recover damages as a result of the Participant's breach of such restrictive covenants.

10. Miscellaneous.

(a) Transferability. The Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered (a "Transfer") by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 14(b) of the Plan. Any attempted Transfer of the Option contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Option, shall be null and void and without effect.

(b) Lock-Up Agreement. Unless otherwise determined by the Board, Options and any shares of Common Stock acquired in respect of an Option will be subject to the lockup restrictions as set forth in Section 14(k) of the Plan and any additional restrictions as set forth on Exhibit B attached hereto.

(c) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(d) Section 409A. The Option is not intended to be subject to Section 409A of the Code. Notwithstanding the foregoing or any provision of the Plan or this Agreement, if any provision of the Plan or this Agreement contravenes Section 409A of the Code or could cause the Participant to incur any tax, interest or penalties under Section 409A of the Code, the Committee may, in its sole discretion and without the Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A of the Code, or to avoid the incurrence of taxes, interest and penalties under Section 409A of the Code, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A of the Code. This Section 10(d) does not create an obligation on the part of the Company to modify the Plan or this Agreement and does not guarantee that the Option or the Option Shares will not be subject to interest and penalties under Section 409A.

(e) Notices. Any notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage-paid first-class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, to the attention of the General Counsel and to the Head of Human Resources at the Company's principal executive office.

(f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(g) No Rights to Employment; Directorship or Service. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant or director of the Company or its Affiliates or shall interfere with or restrict in any way the rights of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.

(h) Fractional Shares. In lieu of issuing a fraction of a share of Common Stock resulting from any exercise of the Option or an adjustment of the Option pursuant to Section 12 of the Plan

or otherwise, the Company shall be entitled to pay to the Participant an amount in cash equal to the Fair Market Value of such fractional share.

(i) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation.

(j) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(k) Entire Agreement. This Agreement (including Exhibit A and Exhibit B attached hereto) and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto, other than any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the covenants of which shall continue to apply to the Participant in addition to the covenants in Exhibit A hereto, in accordance with the terms of such agreement. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent under Section 12 or 13 of the Plan.

(l) Governing Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

(i) Dispute Resolution; Consent to Jurisdiction. All disputes between or among any Persons arising out of or in any way connected with the Plan, this Agreement or the Option shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Agreement not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten (10) days after such mailing.

(ii) Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges

that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.

(m) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(n) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

(o) Electronic Signature and Delivery. This Agreement may be accepted by return signature or by electronic confirmation. By accepting this Agreement, the Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant).

(p) Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, this Nonqualified Option Award Agreement has been executed by the Company and the Participant as of the day first written above.

LATHAM GROUP, INC.

BY: _____

Name:

Title:

[PARTICIPANT]

[Signature page to [_____] Option Agreement]

Exhibit A

1. During the Participant's employment with, or other engagement to provide services to, the Company or any of its Affiliates and for a period of twenty-four (24) months thereafter (the "Restricted Period"), the Participant shall not, either directly or indirectly, for himself or herself or on behalf of or in conjunction with any other Person:
 - a. solicit or attempt to solicit, recruit or attempt to recruit, hire or attempt to hire or in any way persuade any officer, director, employee, agent, or contract worker of the Latham Companies to end such Person's relationship with any Latham Company; or
 - b. solicit or attempt to solicit any business related to the business of the Latham Companies from any Person who is or was a customer or vendor of any Latham Company or an actively sought prospective customer or prospective vendor with whom the Participant had material business contact (through sales calls, presentations, or other business dealings) at any time during the five year period preceding the termination of Participant's employment.

2. During the Restricted Period, the Participant shall not, either directly or indirectly, individually or through any other person, firm, corporation or other entity, whether as owner, partner, investor, operator, manager, officer, director, consultant, agent, employee, co-venturer, advisor, representative or otherwise, engage, participate, assist or invest or actively prepare to engage, participate, assist or invest in the pool industry, or any other industries in which the Company or any of its Affiliates have done business during the Participant's employment with the Company or which the Company or any of its Affiliates were actively considering during such period. The restrictions set forth this Paragraph 2 shall apply to any conduct in North America and any other geographical area in which the Company or any of its Affiliates operate or provide services or are actively preparing to operate or provide services as of the date of Participant's employment with the Company or any of its Affiliates.

3. The Participant hereby agrees to hold in confidence all Confidential Information and Trade Secrets of the Latham Companies that came into the Participant's knowledge during the period of time during which the Participant was employed by, or otherwise providing services to, the Company or any of its Affiliates and will not disclose, publish or make use of such Confidential Information or Trade Secrets without the prior written consent of the Company for as long as the information remains Confidential Information or a Trade Secret. Notwithstanding the foregoing, the provisions of this paragraph will not prevent the Participant from making a disclosure that (a) is made in the ordinary course of the Participant's duties with the Company or any of its Affiliates; (b) is made (i) in confidence to a Federal, State or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, Confidential Information or Trade Secrets shall not include information (x) that otherwise becomes generally known in the industry or to the public through no act of the Participant or any Person or entity acting by

or on the Participant's behalf or (y) information that the Participant can demonstrate to have had rightfully in the Participant's possession prior to the date on which the Participant first provided services to any Latham Company.

4. The Participant acknowledges that all Work Product belongs to the Company. The Participant shall promptly disclose such Work Product to the Board and, at the Company's expense, perform all actions reasonably requested by the Board (whether during or after the Participant's employment) to establish and confirm such ownership, including executing any assignment, consents, powers of attorney and other instruments.
5. During the period of time during which the Participant is employed by, or otherwise providing services to, the Company or any of its Affiliates and thereafter, the Participant shall not, directly or indirectly, take any action, or encourage others to take any action, to disparage or criticize any Latham Company or their respective Affiliates, employees, officers, directors, products, services, customers or owners.
6. For purposes of this Exhibit A:
 - a. "Confidential Information" shall be defined as any data or information (other than Trade Secrets) that is valuable to the Latham Companies (or, if owned by someone else, is valuable to that third party) and not generally known to the public or to competitors in the industry, including, but not limited to, any non-public information (regardless of whether in writing or retained as personal knowledge) pertaining to research and development; product costs, designs and processes; equityholder information; vendor and product information; customer and prospective customer lists; pricing, cost, or profit factors; quality programs; annual budget and long-range business plans; marketing plans and methods; contracts and bids; and business ideas and methods, store concepts, inventions, innovations, developments, graphic designs, website designs, patterns, specifications, procedures, databases and personnel.
 - b. The "Latham Companies" shall be defined as the Company and its direct and indirect subsidiaries and parent companies, and any Person in which the Company has a twenty percent or greater ownership interest, whether existing on the Date of Grant or thereafter acquired or formed.
 - c. "Trade Secret" means trade secret as defined by applicable state law. In the absence of such a definition, Trade Secret means information including, but not limited to, any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

- d. “Work Product” means all inventions, innovations, improvements, developments, methods, designs, analyses, drawings, reports, patents, copyrights, intellectual property applications (including any grant or rights issuing therefrom) and all similar or related information (whether or not patentable) which relate to the actual or reasonably anticipated business, research and development or existing or future products or services of the Company or any of its Affiliates and which are conceived, developed or made by the Participant while employed.
7. During the Restricted Period, the Participant will not communicate the contents of this Agreement to any person, firm, association, partnership, corporation or other entity which the Participant intends to be employed by, associated with, or represent and which is engaged in a business that is competitive to the Company or any of its Affiliates. Prior to accepting any offer of employment during the Restricted Period, the Participant shall inform such employers of all covenants in this Exhibit A and, within two (2) business days of accepting an offer of employment with another employer, shall notify the Company of the name and address of the new employer and the title of the position accepted.
8. The covenants in this Exhibit A are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of this Exhibit A relating to the time period, scope, or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Agreement shall automatically be considered to have been amended and revised to reflect such determination.
9. The Participant acknowledges and agrees that the remedy at law available to the Company for breach of any of Participant’s obligations under this Exhibit A would be inadequate. The Participant therefore agrees that, in addition to any other rights or remedies that the Company may have at law or in equity, temporary and permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision contained in this Exhibit A, without the necessity of proof of actual damage and without the posting of a bond.
10. If it is judicially determined that the Participant has violated any of the Participant’s obligations under this Exhibit A, then the period applicable to each obligation that the Participant shall have been determined to have violated shall automatically be extended by a period of time equal in length to the period during which such violation(s) occurred.
11. All of the covenants in this Exhibit A shall be construed as an agreement independent of any other provisions in Exhibit A, and the existence of any claim or cause of action the Participant may have against any Latham Company, whether predicated on this Exhibit A or otherwise, shall not constitute a defense to the enforcement by any Latham Company of such covenants.
12. This Exhibit A shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of

conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

- a. All disputes between or among any Persons arising out of or in any way connected with this Exhibit A shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Exhibit A not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten (10) days after such mailing.
 - b. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Exhibit A or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.
13. The Participant has carefully read and considered the provisions of this Exhibit A and, having done so, agrees that the restrictive covenants in this Exhibit A impose a fair and reasonable restraint on the Participant and are reasonably required to protect the interests of the Latham Companies and their respective officers, directors, employees, and equityholders.

Exhibit B

Insert any additional lock up restrictions

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B - 1

LATHAM GROUP, INC.
2021 OMNIBUS EQUITY INCENTIVE PLAN
PERFORMANCE STOCK UNIT AWARD AGREEMENT

THIS PERFORMANCE STOCK UNIT AWARD AGREEMENT (this “Agreement”), is entered into as of [_____] , 202[] (the “Date of Grant”), by and between Latham Group, Inc., a Delaware corporation (the “Company”), and [_____] (the “Participant”).

Capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to such terms in the Latham Group, Inc. 2021 Omnibus Equity Incentive Plan, as amended, restated or otherwise modified from time to time in accordance with its terms (the “Plan”).

WHEREAS, the Company has adopted the Plan, pursuant to which restricted stock units subject to a Performance Condition (“Performance Stock Units” or “PSUs”) may be granted; and

WHEREAS, the Committee has determined that it is in the best interests of the Company and its stockholders to grant the PSUs provided for herein to the Participant on the terms and subject to the conditions set forth herein; and

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Performance Stock Units.

- (a) Grant. The Company hereby grants to the Participant a total of [_____] PSUs, on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan. The PSUs shall vest in accordance with Section 2. The PSUs shall be credited to a separate book-entry account maintained for the Participant on the books of the Company.
 - (b) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant’s beneficiary in respect of any questions arising under the Plan or this Agreement. The Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.
-

2. Determination Date; Vesting; Settlement.

- (a) Determination Date. Whether and the extent to which the PSUs are earned with respect to a specific performance goal shall be determined by the Committee within 45 days following the calculation of the achievement of such performance goal set forth in Exhibit A to this Agreement (based on the methodology set forth therein and in the Plan), such calculation to be finalized as appropriate by the Chief Financial Officer (or person having similar duties) using, if applicable, the financial results audited by the Company's independent registered public accounting firm (the "Determination Date"); provided, that the Committee may establish a different Determination Date for each performance goal set forth in Exhibit A to this Agreement.
- (b) Vesting. Except as otherwise provided in this Agreement, the earned PSUs shall become vested on the later of the Determination Date or the third anniversary of the Date of Grant (the "Vesting Date") if the Participant remains continuously employed on a full-time basis (or, in the case of a consultant, continuously engaged to provide services) with the Company or its Subsidiaries from the Date of Grant until the Vesting Date. Upon vesting, the PSUs shall no longer be subject to the transfer restrictions pursuant to Section 14(b) of the Plan or cancellation pursuant to Section 4 hereof.
- (c) Each PSU shall be settled within 10 days following the Vesting Date in shares of Common Stock. The Company shall issue or deliver to the Participant in book entry notation or, if applicable, stock certificate form, the number of shares of Common Stock the Participant is entitled to receive under the terms of this Agreement.

3. Dividend Equivalents. In the event of any issuance of a cash dividend on the shares of Common Stock (a "Dividend"), the Participant shall be credited, as of the payment date for such Dividend, with an additional number of PSUs (each, an "Additional PSU") equal to the quotient obtained by dividing (x) the product of (i) the number of PSUs granted pursuant to this Agreement and outstanding as of the record date for such Dividend multiplied by (ii) the amount of the Dividend per share, by (y) the Fair Market Value per share on the payment date for such Dividend, such quotient to be rounded to the nearest hundredth. Once credited, each Additional PSU shall be treated as a PSU granted hereunder and shall be subject to all terms and conditions set forth in this Agreement and the Plan.

4. Termination of Employment or Services.

- (a) Except as otherwise expressly set forth herein, if the Participant's employment with, or engagement to provide services to, the Company and its Affiliates terminates for any reason, all unvested PSUs shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto.
- (b) If (i) the Participant's employment with, or engagement to provide services to, the Company is terminated prior to the Vesting Date of the PSUs subject to this Agreement on account of such Participant's Disability, or (ii) the Participant dies

while still in the employ or engagement of the Company or an Affiliate prior to the Vesting Date of the PSUs subject to this Agreement, then all earned (as determined by the Committee, in its sole discretion) but unvested PSUs subject to this Agreement shall vest in full on the date of the Participant's Disability or death, as applicable.

(c) If the Participant's employment with the Company or a Subsidiary is terminated prior to the Vesting Date of the PSUs subject to this Agreement on account of such Participant's Retirement, then all earned (as determined by the Committee, in its sole discretion) but unvested PSUs subject to this Agreement shall remain outstanding on the date of the Participant's Retirement, and remain subject to the procedures for vesting and settlement as described in Section 2 above. For purposes of this Section 4(c):

(i) "Retirement" means (i) the termination of the Participant's employment with the Company or a Subsidiary was (a) voluntarily made by the Participant, or (b) mutually agreed upon by between the Participant and the Company, and, in each case, without Cause, as determined by the Committee, in its sole discretion, (ii) the Participant has provided a minimum of five Years of Service to the Company or a Subsidiary and attained a minimum age of 60, in each case, as of the date of such termination, and (iii) the Participant has provided six months advanced notice of such Participant's consideration of retirement to the Company (or to the Board, if the Participant is subject to Section 16 of the Exchange Act), as determined by the Committee in its sole discretion.

(ii) "Years of Service" means a Participant's total number of years of employment with the Company or a Subsidiary based on a period of employment beginning on the Participant's date of hire by the Company or a Subsidiary and ending on the date of termination of the Participant's employment with the Company or a Subsidiary; provided that, Years of Services shall not include any period of a Participant's employment with a Subsidiary or a business acquired by the Company prior to the date that such Subsidiary or business was acquired by the Company.

5. Rights as a Stockholder. The Participant shall not be deemed for any purpose to be the owner of any shares of Common Stock underlying the PSUs unless, until and to the extent that (i) the Company shall have issued and delivered to the Participant the shares of Common Stock underlying the PSUs and (ii) the Participant's name shall have been entered as a stockholder of record with respect to such shares of Common Stock on the books of the Company. The Company shall cause the actions described in clauses (i) and (ii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws.

6. Compliance with Legal Requirements.

- (a) Generally. The granting and settlement of the PSUs, and any other obligations of the Company under this Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Participant agrees to take all steps that the Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant's rights under this Agreement.
- (b) Tax Withholding. The vesting and settlement of the PSUs shall be subject to the Participant satisfying any applicable U.S. federal, state and local tax withholding obligations and non-U.S. tax withholding obligations. The Participant shall be required to pay to the Company, and the Company shall have the right and is hereby authorized to withhold any cash, shares of Common Stock, other securities or other property or from any compensation or other amounts owing to the Participant, the amount (in cash, Common Stock, other securities or other property) of any required withholding taxes in respect of the PSUs, settlement of the PSUs or any payment or transfer of the PSUs, and to take any such other action as the Committee or the Company deem necessary to satisfy all obligations for the payment of such withholding taxes (up to the maximum permissible withholding amounts). In its sole discretion, the Company may permit the Participant to satisfy, in whole or in part, the tax obligations by withholding shares of Common Stock that would otherwise be deliverable to the Participant upon settlement of the PSUs with a Fair Market Value equal to such withholding liability.

7. Clawback.

- (a) All Participants. Notwithstanding anything to the contrary contained herein, the Committee may cancel the PSU award, in whole or in part, if:
 - (i) The Participant, without the consent of the Company, has engaged in or engages in activity that is in conflict with or adverse to the interest of the Company or any Affiliate while employed by, or otherwise providing services to, the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, or if the Participant violates the covenants set forth on Exhibit B attached hereto or any other non-competition, non-solicitation, non-disparagement or non-disclosure covenant or agreement with the Company or any Affiliate (after giving effect to any applicable cure period set forth therein), as determined by the Committee. In such event, the Participant will forfeit any compensation, gain or other value realized thereafter on the vesting or settlement of the PSUs, the sale or other transfer of the PSUs, or the sale of shares of Common Stock acquired in respect of the PSUs, and must promptly repay such amounts to the Company. If the Participant receives any amount in excess of what the Participant should have received under

the terms of the PSUs for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), all as determined by the Committee, then the Participant shall be required to promptly repay any such excess amount to the Company.

- (ii) Permitted in accordance with the Company's Amended and Restated Executive Compensation Clawback Policy – Calculation Errors, as amended from time to time, or a similar policy applicable to the Company's employees generally.
- (b) Dodd-Frank Compliant Policy. To the extent required by applicable law and/or the rules and regulations of the NASDAQ or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or if so required pursuant to a written policy adopted by the Company, the PSUs shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement), including but not limited to the Company's Policy for the Recovery of Erroneously Awarded Compensation, as may be amended from time to time, applicable to the Covered Executive Officers (as defined therein).

8. Restrictive Covenants.

- (a) Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the Participant shall be subject to the confidentiality and restrictive covenants set forth on Exhibit B attached hereto, which Exhibit B is incorporated herein and forms part of this Agreement.
- (b) In the event that the Participant violates any of the restrictive covenants referred to in this Section 8, in addition to any other remedy that may be available at law or in equity, the PSUs shall be automatically forfeited effective as of the date on which such violation first occurs. The foregoing rights and remedies are in addition to any other rights and remedies that may be available to the Company and shall not prevent (and the Participant shall not assert that they shall prevent) the Company from bringing one or more actions in any applicable jurisdiction to recover damages as a result of the Participant's breach of such restrictive covenants.
- (c) Notwithstanding any provision in this Agreement, the restrictive covenants set forth on Exhibit B shall not apply to the Participant if the Participant resides, or primarily provides services to the Company or any of its Affiliates, in the State of California.

9. Miscellaneous.

- (a) Transferability. The PSUs may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered (a "Transfer") by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 14(b) of the Plan. Any attempted Transfer of the PSUs contrary to the provisions hereof, and the levy of

any execution, attachment or similar process upon the PSUs, shall be null and void and without effect.

- (b) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.
- (c) Section 409A. The PSUs are intended to be exempt from, or compliant with, Section 409A of the Code. Notwithstanding the foregoing or any provision of the Plan or this Agreement, if any provision of the Plan or this Agreement contravenes Section 409A of the Code or could cause the Participant to incur any tax, interest or penalties under Section 409A of the Code, the Committee may, in its sole discretion and without the Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A of the Code, or to avoid the incurrence of taxes, interest and penalties under Section 409A of the Code, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A of the Code. This Section 9(c) does not create an obligation on the part of the Company to modify the Plan or this Agreement and does not guarantee that the PSUs will not be subject to interest and penalties under Section 409A.
- (d) General Assets. All amounts credited in respect of the PSUs to the book-entry account under this Agreement shall continue for all purposes to be part of the general assets of the Company. The Participant's interest in such account shall make the Participant only a general, unsecured creditor of the Company.
- (e) Notices. Any notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage-paid first-class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, to the attention of the General Counsel and to the Head of Human Resources at the Company's principal executive office.
- (f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.
- (g) No Rights to Employment or Service. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as a consultant or employee of the Company or any of its Affiliates or shall interfere

with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.

- (h) Fractional Shares. In lieu of issuing a fraction of a share of Common Stock resulting from an adjustment of the PSUs pursuant to Section 11 of the Plan or otherwise, the Company shall be entitled to pay to the Participant an amount in cash equal to the Fair Market Value of such fractional share.
- (i) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation.
- (j) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.
- (k) Entire Agreement. This Agreement (including Exhibits A and B attached hereto) and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto, other than any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the covenants of which shall continue to apply to the Participant in addition to the covenants in Exhibit B attached hereto, in accordance with the terms of such agreement. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent under Section 11 or 12 of the Plan.
- (l) Governing Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.
 - (i) Dispute Resolution; Consent to Jurisdiction. All disputes between or among any Persons arising out of or in any way connected with the Plan, this Agreement or the PSUs shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Agreement not required to be resolved by the Committee. Each such Person

hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten (10) days after such mailing.

- (ii) Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.
- (m) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.
- (n) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.
- (o) Electronic Signature and Delivery. This Agreement may be accepted by return signature or by electronic confirmation. By accepting this Agreement, the Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant).
- (p) Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, this Performance Stock Unit Award Agreement has been executed by the Company and the Participant as of the day first written above.

LATHAM GROUP, INC.

By: _____

Name:

Title:

[PARTICIPANT]

[Signature Page to [_____] PSU Award Agreement]

Exhibit A

**202[] PSU Award Agreement -
Determination of Performance Goals and Earned PSUs**

(see attached)

A-1

Exhibit B
Restrictive Covenants
(see attached)

61207516

B-1

LATHAM GROUP, INC.
2021 OMNIBUS EQUITY INCENTIVE PLAN
RESTRICTED STOCK AWARD AGREEMENT

THIS RESTRICTED STOCK AWARD AGREEMENT (this “Agreement”), is entered into as of [____], 20[___] (the “Date of Grant”), by and between Latham Group, Inc., a Delaware corporation (the “Company”), and [____] (the “Participant”).

Capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to such terms in the Latham Group, Inc. 2021 Omnibus Equity Incentive Plan, as amended, restated or otherwise modified from time to time in accordance with its terms (the “Plan”).

WHEREAS, the Company has adopted the Plan, pursuant to which shares of restricted stock (the “Restricted Shares”) may be granted; and

WHEREAS, the Committee has determined that it is in the best interests of the Company and its stockholders to grant the Restricted Shares provided for herein to the Participant on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Restricted Shares.

(a) Grant. The Company hereby grants to the Participant a total of [____] Restricted Shares, on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan. The Restricted Shares shall vest in accordance with Section 2.

(b) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant’s beneficiary in respect of any questions arising under the Plan or this Agreement. The Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

2. Vesting; Settlement. Except as may otherwise be provided herein, subject to the Participant’s continued employment with, or engagement to provide services to, the Company and any of its Affiliates, the Restricted Shares shall vest as follows: [____] (any date on which Restricted Shares vest, a “Vesting Date”). Any fractional Restricted Shares resulting from the application of the vesting schedule shall be aggregated and the Restricted Shares resulting from

such aggregation shall vest on the final Vesting Date. Upon vesting, the Restricted Shares shall no longer be subject to the transfer restrictions pursuant to Section 14(b) of the Plan or cancellation pursuant to Section 6 hereof.

3. Issuance. The Restricted Shares shall be issued by the Company and shall be registered in the Participant's name on the stock transfer books of the Company promptly after the date hereof in book-entry form, subject to the Company's directions at all times prior to the date the Restricted Shares vest. As a condition to the receipt of the Restricted Shares, the Participant shall at the request of the Company deliver to the Company one or more stock powers, duly endorsed in blank, relating to the Restricted Shares. The Committee may cause a legend or legends to be put on any stock certificate relating to the Restricted Shares to make appropriate reference to such restrictions as the Committee may deem advisable under the Plan or as may be required by the rules, regulations, and other requirements of the Securities and Exchange Commission, any exchange that lists the Restricted Shares, and any applicable federal or state laws.

4. Rights as a Stockholder; Dividends. The Participant shall be the record owner of the Restricted Shares and shall have all rights of a stockholder of the Company, including, if applicable, the right to vote the Restricted Shares and to receive any dividends upon vesting of such Restricted Shares, subject to the restrictions set forth in the Plan and this Agreement. Any cash or in-kind dividends paid with respect to unvested Restricted Shares shall be withheld by the Company and shall be paid to the Participant, without interest, only when, and if, such Restricted Shares vest.

5. [Section 83(b) Election. As a condition subsequent to the issuance of the Restricted Shares, the Participant shall file an election under Section 83(b) of the Code within 30 days of the Date of Grant and shall promptly provide written evidence of any such election to the Company. The Participant acknowledges and agrees that the Company shall bear no responsibility or liability for any tax consequences to the Participant relating to Section 83 of the Code or to the making of (or failure to make) an election pursuant to Section 83(b) of the Code with respect to the Restricted Shares.]¹

6. Termination of Employment.

(a) Except as set forth herein, if the Participant's employment with, or engagement to provide services to, the Company or any of its Affiliates terminates for any reason, all unvested Restricted Shares shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto.

(b) If (i) the Participant's employment with, directorship with, or engagement to provide services to, the Company is terminated prior to the final Vesting Date of the Restricted Shares subject to this Agreement on account of such Participant's Disability, or (ii) the Participant dies while still a director of, or still in the employ or engagement of the Company or an Affiliate prior to the final Vesting Date of the Restricted Shares subject to this Agreement, then all

¹ Include if applicable.

remaining unvested Restricted Shares subject to this Agreement shall vest in full on the date of the Participant's Disability or death, as applicable.

(c) If the Participant's employment with the Company or a Subsidiary is terminated prior to the final Vesting Date of the Restricted Shares subject to this Agreement on account of such Participant's Retirement, then provided that a portion of the Restricted Shares subject to this Agreement have vested as of the date of the Participant's Retirement, all remaining unvested Restricted Shares subject to this Agreement shall continue to vest in accordance with Section 2 on and following the date of the Participant's Retirement. For purposes of this Section 6(c):

- (i) "Retirement" means (i) the termination of the Participant's employment with the Company or a Subsidiary was (a) voluntarily made by the Participant, or (b) mutually agreed upon by between the Participant and the Company, and, in each case, without Cause, as determined by the Committee, in its sole discretion, (ii) the Participant has provided a minimum of five Years of Service to the Company or a Subsidiary and attained a minimum age of 60, in each case, as of the date of such termination, and (iii) the Participant has provided six months advanced notice of such Participant's consideration of retirement to the Company (or to the Board, if the Participant is subject to Section 16 of the Exchange Act), as determined by the Committee in its sole discretion.
- (ii) "Years of Service" means a Participant's total number of years of employment with the Company or a Subsidiary based on a period of employment beginning on the Participant's date of hire by the Company or a Subsidiary and ending on the date of termination of the Participant's employment with the Company or a Subsidiary; provided that, Years of Services shall not include any period of a Participant's employment with a Subsidiary or a business acquired by the Company prior to the date that such Subsidiary or business was acquired by the Company.

7. Compliance with Legal Requirements.

(a) Generally. The granting of the Restricted Shares, and any other obligations of the Company under this Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Committee shall have the right to impose such restriction on any Restricted Share as it deems necessary or advisable under applicable federal securities laws, the rules and regulations of any stock exchange or market upon which such Restricted Shares are then listed or traded, and/or any blue sky or state securities laws applicable to such Restricted Shares. The Participant agrees to take all steps that the Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant's rights under this Agreement.

(b) Tax Withholding. The vesting of the Restricted Shares shall be subject to the Participant satisfying any applicable U.S. federal, state and local tax withholding obligations and

non-U.S. tax withholding obligations. The Participant shall be required to pay to the Company, and the Company shall have the right and is hereby authorized to withhold any cash, shares of Common Stock, other securities or other property or from any compensation or other amounts owing to the Participant, the amount (in cash, Common Stock, other securities or other property) of any required withholding taxes in respect of the Restricted Shares or any payment or transfer of the Restricted Shares, and to take any such other action as the Committee or the Company deem necessary to satisfy all obligations for the payment of such withholding taxes. In its sole discretion, the Company may permit the Participant to satisfy, in whole or in part, the tax obligations by withholding shares of Common Stock upon vesting of Restricted Shares.

8. Clawback. Notwithstanding anything to the contrary contained herein, the Committee may cancel this Restricted Share award if the Participant, without the consent of the Company, has engaged in or engages in activity that is in conflict with or adverse to the interest of the Company or any Affiliate while employed by, or otherwise providing services to, the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, or violates the covenants set forth on Exhibit A attached hereto or any other non-competition, non-solicitation, non-disparagement or non-disclosure covenant or agreement with the Company or any Affiliate (after giving effect to any applicable cure period set forth therein), as determined by the Committee. In such event, the Participant will forfeit any compensation, gain or other value realized thereafter on the vesting of the Restricted Shares, the sale or other transfer of the Restricted Shares, or the sale of shares of Common Stock acquired in respect of the Restricted Shares, and must promptly repay such amounts to the Company. If the Participant receives any amount in excess of what the Participant should have received under the terms of this Agreement for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), all as determined by the Committee, then the Participant shall be required to promptly repay any such excess amount to the Company. To the extent required by applicable law and/or the rules and regulations of the Nasdaq or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or if so required pursuant to a written policy adopted by the Company, the Restricted Shares shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

9. Restrictive Covenants.

(a) Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the Participant shall be subject to the confidentiality and restrictive covenants set forth on Exhibit A attached hereto, which Exhibit A is incorporated herein and forms part of this Agreement.

(b) In the event that the Participant violates any of the restrictive covenants referred to in this Section 9, in addition to any other remedy that may be available at law or in equity, the Restricted Shares shall be automatically forfeited effective as of the date on which such violation first occurs. The foregoing rights and remedies are in addition to any other rights and remedies that may be available to the Company and shall not prevent (and the Participant shall not assert that they shall prevent) the Company from bringing one or more actions in any applicable jurisdiction to recover damages as a result of the Participant's breach of such restrictive covenants.

10. Miscellaneous.

(a) Transferability. The Restricted Shares may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered (a “Transfer”) by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 14(b) of the Plan. Any attempted Transfer of the Restricted Shares contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Restricted Shares, shall be null and void and without effect.

(b) Lock-Up Agreement. Unless otherwise determined by the Board, Restricted Shares and any shares of Common Stock acquired in respect of any Restricted Shares will be subject to the lock-up restrictions as set forth in Section 14(k) of the Plan and any additional restrictions as set forth on Exhibit B attached hereto.

(c) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(d) Section 409A. The Restricted Shares are intended to be exempt from, or compliant with, Section 409A of the Code. Notwithstanding the foregoing or any provision of the Plan or this Agreement, if any provision of the Plan or this Agreement contravenes Section 409A of the Code or could cause the Participant to incur any tax, interest or penalties under Section 409A of the Code, the Committee may, in its sole discretion and without the Participant’s consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A of the Code, or to avoid the incurrence of taxes, interest and penalties under Section 409A of the Code, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A of the Code. This Section 10(d) does not create an obligation on the part of the Company to modify the Plan or this Agreement and does not guarantee that the Restricted Shares will not be subject to interest and penalties under Section 409A.

(e) Notices. Any notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage-paid first-class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant’s address indicated by the Company’s records, or if to the Company, to the attention of the General Counsel and to the Head of Human Resources at the Company’s principal executive office.

(f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(g) No Rights to Employment or Service. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as a consultant or employee of the Company or any of its Affiliates or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.

(h) Fractional Shares. In lieu of issuing a fraction of a share of Common Stock resulting from an adjustment of the Restricted Shares pursuant to Section 12 of the Plan or otherwise, the Company shall be entitled to pay to the Participant an amount in cash equal to the Fair Market Value of such fractional share.

(i) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation.

(j) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(k) Entire Agreement. This Agreement (including Exhibit A and Exhibit B attached hereto) and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto, other than any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the covenants of which shall continue to apply to the Participant in addition to the covenants in Exhibit A hereto, in accordance with the terms of such agreement. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent under Section 12 or 13 of the Plan.

(l) Governing Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

(i) Dispute Resolution; Consent to Jurisdiction. All disputes between or among any Persons arising out of or in any way connected with the Plan, this Agreement or the Restricted Shares shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Agreement not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last

known address of such Person, such service to become effective ten (10) days after such mailing.

(ii) Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.

(m) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(n) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

(o) Electronic Signature and Delivery. This Agreement may be accepted by return signature or by electronic confirmation. By accepting this Agreement, the Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant).

(p) Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, this Restricted Stock Award Agreement has been executed by the Company and the Participant as of the day first written above.

LATHAM GROUP, INC.

By: _____
Name:
Title:

[PARTICIPANT]

[Signature Page to [_____] Restricted Stock Award Agreement]

Exhibit A

1. During the Participant's employment with, or other engagement to provide services to, the Company or any of its Affiliates and for a period of twenty-four (24) months thereafter (the "Restricted Period"), the Participant shall not, either directly or indirectly, for himself or herself or on behalf of or in conjunction with any other Person:
 - a. solicit or attempt to solicit, recruit or attempt to recruit, hire or attempt to hire or in any way persuade any officer, director, employee, agent, or contract worker of the Latham Companies to end such Person's relationship with any Latham Company; or
 - b. solicit or attempt to solicit any business related to the business of the Latham Companies from any Person who is or was a customer or vendor of any Latham Company or an actively sought prospective customer or prospective vendor with whom the Participant had material business contact (through sales calls, presentations, or other business dealings) at any time during the five year period preceding the termination of Participant's employment.

2. During the Restricted Period, the Participant shall not, either directly or indirectly, individually or through any other person, firm, corporation or other entity, whether as owner, partner, investor, operator, manager, officer, director, consultant, agent, employee, co-venturer, advisor, representative or otherwise, engage, participate, assist or invest or actively prepare to engage, participate, assist or invest in the pool industry, or any other industries in which the Company or any of its Affiliates have done business during the Participant's employment with the Company or which the Company or any of its Affiliates were actively considering during such period. The restrictions set forth this Paragraph 2 shall apply to any conduct in North America and any other geographical area in which the Company or any of its Affiliates operate or provide services or are actively preparing to operate or provide services as of the date of Participant's employment with the Company or any of its Affiliates.

3. The Participant hereby agrees to hold in confidence all Confidential Information and Trade Secrets of the Latham Companies that came into the Participant's knowledge during the period of time during which the Participant was employed by, or otherwise providing services to, the Company or any of its Affiliates and will not disclose, publish or make use of such Confidential Information or Trade Secrets without the prior written consent of the Company for as long as the information remains Confidential Information or a Trade Secret. Notwithstanding the foregoing, the provisions of this paragraph will not prevent the Participant from making a disclosure that (a) is made in the ordinary course of the Participant's duties with the Company or any of its Affiliates; (b) is made (i) in confidence to a Federal, State or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, Confidential Information or Trade Secrets shall not include information (x) that otherwise becomes generally known in the industry or to the public through no act of the Participant or any Person or entity acting by

or on the Participant's behalf or (y) information that the Participant can demonstrate to have had rightfully in the Participant's possession prior to the date on which the Participant first provided services to any Latham Company.

4. During the period of time during which the Participant is employed by, or otherwise providing services to, the Company or any of its Affiliates and thereafter, the Participant shall not, directly or indirectly, take any action, or encourage others to take any action, to disparage or criticize any Latham Company or their respective Affiliates, employees, officers, directors, products, services, customers or owners.
5. For purposes of this Exhibit A:
 - a. "Confidential Information" shall be defined as any data or information (other than Trade Secrets) that is valuable to the Latham Companies (or, if owned by someone else, is valuable to that third party) and not generally known to the public or to competitors in the industry, including, but not limited to, any non-public information (regardless of whether in writing or retained as personal knowledge) pertaining to research and development; product costs, designs and processes; equityholder information; pricing, cost, or profit factors; quality programs; annual budget and long-range business plans; marketing plans and methods; contracts and bids; and business ideas and methods, store concepts, inventions, innovations, developments, graphic designs, website designs, patterns, specifications, procedures, databases and personnel.
 - b. The "Latham Companies" shall be defined as the Company and its direct and indirect subsidiaries and parent companies, and any Person in which the Company has a twenty percent or greater ownership interest, whether existing on the Date of Grant or thereafter acquired or formed.
 - c. "Trade Secret" means trade secret as defined by applicable state law. In the absence of such a definition, Trade Secret means information including, but not limited to, any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
6. Prior to accepting any offer of employment during the Restricted Period, the Participant shall inform such employers of all covenants in this Exhibit A and, within two (2) business days of accepting an offer of employment with another employer, shall notify the Company of the name and address of the new employer and the title of the position accepted.
7. The covenants in this Exhibit A are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of

this Exhibit A relating to the time period, scope, or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Agreement shall automatically be considered to have been amended and revised to reflect such determination.

8. All of the covenants in this Exhibit A shall be construed as an agreement independent of any other provisions in Exhibit A, and the existence of any claim or cause of action the Participant may have against any Latham Company, whether predicated on this Exhibit A or otherwise, shall not constitute a defense to the enforcement by any Latham Company of such covenants.
9. This Exhibit A shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.
 - a. All disputes between or among any Persons arising out of or in any way connected with this Exhibit A shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Exhibit A not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten (10) days after such mailing.
 - b. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Exhibit A or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.
10. The Participant has carefully read and considered the provisions of this Exhibit A and, having done so, agrees that the restrictive covenants in this Exhibit A impose a fair and reasonable restraint on the Participant and are reasonably required to protect the interests of the Latham Companies and their respective officers, directors, employees, and equityholders.

Exhibit B

Insert any additional lock up restrictions

61207186

B-1

LATHAM GROUP, INC.
2021 OMNIBUS EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this “Agreement”), is entered into as of [____], 20[___] (the “Date of Grant”), by and between Latham Group, Inc., a Delaware corporation (the “Company”), and [____] (the “Participant”).

Capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to such terms in the Latham Group, Inc. 2021 Omnibus Equity Incentive Plan, as amended, restated or otherwise modified from time to time in accordance with its terms (the “Plan”).

WHEREAS, the Company has adopted the Plan, pursuant to which restricted stock units (“RSUs”) may be granted; and

WHEREAS, the Committee has determined that it is in the best interests of the Company and its stockholders to grant the RSUs provided for herein to the Participant on the terms and subject to the conditions set forth herein; and

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Restricted Stock Units.

- (a) Grant. The Company hereby grants to the Participant a total of [____] RSUs, on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan. The RSUs shall vest in accordance with Section 2. The RSUs shall be credited to a separate book-entry account maintained for the Participant on the books of the Company.
 - (b) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant’s beneficiary in respect of any questions arising under the Plan or this Agreement. The Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.
-

2. Vesting; Settlement.

- (a) Except as may otherwise be provided herein, subject to the Participant's continued employment with, or engagement to provide services to, the Company and any of its Affiliates, the RSUs shall vest as follows: [_____] (any date on which RSUs vest, a "Vesting Date"). Upon vesting, the RSUs shall no longer be subject to the transfer restrictions pursuant to Section 14(b) of the Plan or cancellation pursuant to Section 4 hereof.
- (b) Each RSU shall be settled within 10 days following the Vesting Date in shares of Common Stock. The Company shall issue or deliver to the Participant in book entry notation or, if applicable, stock certificate form, the number of shares of Common Stock the Participant is entitled to receive under the terms of this Agreement.

3. Dividend Equivalents. In the event of any issuance of a cash dividend on the shares of Common Stock (a "Dividend"), the Participant shall be credited, as of the payment date for such Dividend, with an additional number of RSUs (each, an "Additional RSU") equal to the quotient obtained by dividing (x) the product of (i) the number of RSUs granted pursuant to this Agreement and outstanding as of the record date for such Dividend multiplied by (ii) the amount of the Dividend per share, by (y) the Fair Market Value per share on the payment date for such Dividend, such quotient to be rounded to the nearest hundredth. Once credited, each Additional RSU shall be treated as an RSU granted hereunder and shall be subject to all terms and conditions set forth in this Agreement and the Plan.

4. Termination of Employment or Services.

- (a) Except as otherwise expressly set forth herein, if the Participant's employment with, or engagement to provide services to, the Company and its Affiliates terminates for any reason, all unvested RSUs shall be canceled immediately and the Participant shall not be entitled to receive any payments with respect thereto.
- (b) If (i) the Participant's employment with, directorship with, or engagement to provide services to, the Company is terminated prior to the final Vesting Date of the RSUs subject to this Agreement on account of such Participant's Disability, or (ii) the Participant dies while still a director of, or still in the employ or engagement of the Company or an Affiliate prior to the final Vesting Date of the RSUs subject to this Agreement, then all remaining unvested RSUs subject to this Agreement shall vest in full on the date of the Participant's Disability or death, as applicable.
- (c) If the Participant's employment with the Company or a Subsidiary is terminated prior to the final Vesting Date of the RSUs subject to this Agreement on account of such Participant's Retirement, then provided that a portion of the RSUs subject to this Agreement have vested as of the date of the Participant's Retirement, all remaining unvested RSUs subject to this Agreement shall continue to vest in accordance with Section 2 on and following the date of the Participant's Retirement. For purposes of this Section 4(c):

- (i) “Retirement” means (i) the termination of the Participant’s employment with the Company or a Subsidiary was (a) voluntarily made by the Participant, or (b) mutually agreed upon by between the Participant and the Company, and, in each case, without Cause, as determined by the Committee, in its sole discretion, (ii) the Participant has provided a minimum of five Years of Service to the Company or a Subsidiary and attained a minimum age of 60, in each case, as of the date of such termination, and (iii) the Participant has provided six months advanced notice of such Participant’s consideration of retirement to the Company (or to the Board, if the Participant is subject to Section 16 of the Exchange Act), as determined by the Committee in its sole discretion.
- (ii) “Years of Service” means a Participant’s total number of years of employment with the Company or a Subsidiary based on a period of employment beginning on the Participant’s date of hire by the Company or a Subsidiary and ending on the date of termination of the Participant’s employment with the Company or a Subsidiary; provided that, Years of Services shall not include any period of a Participant’s employment with a Subsidiary or a business acquired by the Company prior to the date that such Subsidiary or business was acquired by the Company.

5. Rights as a Stockholder. The Participant shall not be deemed for any purpose to be the owner of any shares of Common Stock underlying the RSUs unless, until and to the extent that (i) the Company shall have issued and delivered to the Participant the shares of Common Stock underlying the RSUs and (ii) the Participant’s name shall have been entered as a stockholder of record with respect to such shares of Common Stock on the books of the Company. The Company shall cause the actions described in clauses (i) and (ii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws.

6. Compliance with Legal Requirements.

- (a) Generally. The granting and settlement of the RSUs, and any other obligations of the Company under this Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Participant agrees to take all steps that the Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant’s rights under this Agreement.
- (b) Tax Withholding. The vesting and settlement of the RSUs shall be subject to the Participant satisfying any applicable U.S. federal, state and local tax withholding obligations and non-U.S. tax withholding obligations. The Participant shall be required to pay to the Company, and the Company shall have the right and is hereby authorized to withhold any cash, shares of Common Stock, other securities or other property or from any compensation or other amounts owing to the Participant, the

amount (in cash, Common Stock, other securities or other property) of any required withholding taxes in respect of the RSUs, settlement of the RSUs or any payment or transfer of the RSUs, and to take any such other action as the Committee or the Company deem necessary to satisfy all obligations for the payment of such withholding taxes (up to the maximum permissible withholding amounts). In its sole discretion, the Company may permit the Participant to satisfy, in whole or in part, the tax obligations by withholding shares of Common Stock that would otherwise be deliverable to the Participant upon settlement of the RSUs with a Fair Market Value equal to such withholding liability.

7. **Clawback.** Notwithstanding anything to the contrary contained herein, the Committee may cancel the RSU award if the Participant, without the consent of the Company, has engaged in or engages in activity that is in conflict with or adverse to the interest of the Company or any Affiliate while employed by, or otherwise providing services to, the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, or if the Participant violates the covenants set forth on Exhibit A attached hereto or any other non-competition, non-solicitation, non-disparagement or non-disclosure covenant or agreement with the Company or any Affiliate (after giving effect to any applicable cure period set forth therein), as determined by the Committee. In such event, the Participant will forfeit any compensation, gain or other value realized thereafter on the vesting or settlement of the RSUs, the sale or other transfer of the RSUs, or the sale of shares of Common Stock acquired in respect of the RSUs, and must promptly repay such amounts to the Company. If the Participant receives any amount in excess of what the Participant should have received under the terms of the RSUs for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), all as determined by the Committee, then the Participant shall be required to promptly repay any such excess amount to the Company. To the extent required by applicable law and/or the rules and regulations of the NASDAQ or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or if so required pursuant to a written policy adopted by the Company, the RSUs shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

8. **Restrictive Covenants.**

- (a) Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the Participant shall be subject to the confidentiality and restrictive covenants set forth on Exhibit A attached hereto, which Exhibit A is incorporated herein and forms part of this Agreement.
- (b) In the event that the Participant violates any of the restrictive covenants referred to in this Section 8, in addition to any other remedy that may be available at law or in equity, the RSUs shall be automatically forfeited effective as of the date on which such violation first occurs. The foregoing rights and remedies are in addition to any other rights and remedies that may be available to the Company and shall not prevent (and the Participant shall not assert that they shall prevent) the Company

from bringing one or more actions in any applicable jurisdiction to recover damages as a result of the Participant's breach of such restrictive covenants.

9. Miscellaneous.

- (a) Transferability. The RSUs may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered (a "Transfer") by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 14(b) of the Plan. Any attempted Transfer of the RSUs contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the RSUs, shall be null and void and without effect.
- (b) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.
- (c) Section 409A. The RSUs are intended to be exempt from, or compliant with, Section 409A of the Code. Notwithstanding the foregoing or any provision of the Plan or this Agreement, if any provision of the Plan or this Agreement contravenes Section 409A of the Code or could cause the Participant to incur any tax, interest or penalties under Section 409A of the Code, the Committee may, in its sole discretion and without the Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A of the Code, or to avoid the incurrence of taxes, interest and penalties under Section 409A of the Code, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A of the Code. This Section 9(c) does not create an obligation on the part of the Company to modify the Plan or this Agreement and does not guarantee that the RSUs will not be subject to interest and penalties under Section 409A.
- (d) General Assets. All amounts credited in respect of the RSUs to the book-entry account under this Agreement shall continue for all purposes to be part of the general assets of the Company. The Participant's interest in such account shall make the Participant only a general, unsecured creditor of the Company.
- (e) Notices. Any notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage-paid first-class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the

Company, to the attention of the General Counsel and to the Head of Human Resources at the Company's principal executive office.

- (f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.
- (g) No Rights to Employment or Service. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as a consultant or employee of the Company or any of its Affiliates or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.
- (h) Fractional Shares. In lieu of issuing a fraction of a share of Common Stock resulting from an adjustment of the RSUs pursuant to Section 11 of the Plan or otherwise, the Company shall be entitled to pay to the Participant an amount in cash equal to the Fair Market Value of such fractional share.
- (i) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation.
- (j) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.
- (k) Entire Agreement. This Agreement (including Exhibit A attached hereto) and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto, other than any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the covenants of which shall continue to apply to the Participant in addition to the covenants in Exhibit A attached hereto, in accordance with the terms of such agreement. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent under Section 11 or 12 of the Plan.
- (l) Governing Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.

- (i) Dispute Resolution; Consent to Jurisdiction. All disputes between or among any Persons arising out of or in any way connected with the Plan, this Agreement or the RSUs shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Agreement not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten (10) days after such mailing.
- (ii) Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.
- (m) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.
- (n) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.
- (o) Electronic Signature and Delivery. This Agreement may be accepted by return signature or by electronic confirmation. By accepting this Agreement, the Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant).

- (p) Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, this Restricted Stock Unit Award Agreement has been executed by the Company and the Participant as of the day first written above.

LATHAM GROUP, INC.

By: _____

Name:

Title:

[PARTICIPANT]

[Signature Page to [_____] Restricted Stock Award Agreement]

Exhibit A

1. During the Participant's employment with, or other engagement to provide services to, the Company or any of its Affiliates and for a period of twenty-four (24) months thereafter (the "Restricted Period"), the Participant shall not, either directly or indirectly, for himself or herself or on behalf of or in conjunction with any other Person:
 - a. solicit or attempt to solicit, recruit or attempt to recruit, hire or attempt to hire or in any way persuade any officer, director, employee, agent, or contract worker of the Latham Companies to end such Person's relationship with any Latham Company; or
 - b. solicit or attempt to solicit any business related to the business of the Latham Companies from any Person who is or was a customer or vendor of any Latham Company or an actively sought prospective customer or prospective vendor with whom the Participant had material business contact (through sales calls, presentations, or other business dealings) at any time during the five year period preceding the termination of Participant's employment.
 2. During the Restricted Period, the Participant shall not, either directly or indirectly, individually or through any other person, firm, corporation or other entity, whether as owner, partner, investor, operator, manager, officer, director, consultant, agent, employee, co-venturer, advisor, representative or otherwise, engage, participate, assist or invest or actively prepare to engage, participate, assist or invest in the pool industry, or any other industries in which the Company or any of its Affiliates have done business during the Participant's employment with the Company or which the Company or any of its Affiliates were actively considering during such period. The restrictions set forth this Paragraph 2 shall apply to any conduct in North America and any other geographical area in which the Company or any of its Affiliates operate or provide services or are actively preparing to operate or provide services as of the date of Participant's employment with the Company or any of its Affiliates.
 3. The Participant hereby agrees to hold in confidence all Confidential Information and Trade Secrets of the Latham Companies that came into the Participant's knowledge during the period of time during which the Participant was employed by, or otherwise providing services to, the Company or any of its Affiliates and will not disclose, publish or make use of such Confidential Information or Trade Secrets without the prior written consent of the Company for as long as the information remains Confidential Information or a Trade Secret. Notwithstanding the foregoing, the provisions of this paragraph will not prevent the Participant from making a disclosure that (a) is made in the ordinary course of the Participant's duties with the Company or any of its Affiliates; (b) is made (i) in confidence to a Federal, State or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, Confidential Information or Trade Secrets shall not include information (x) that otherwise becomes generally known in the industry or to the public through no act of the Participant or any Person or entity acting by
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or on the Participant's behalf or (y) information that the Participant can demonstrate to have had rightfully in the Participant's possession prior to the date on which the Participant first provided services to any Latham Company.

4. During the period of time during which the Participant is employed by, or otherwise providing services to, the Company or any of its Affiliates and thereafter, the Participant shall not, directly or indirectly, take any action, or encourage others to take any action, to disparage or criticize any Latham Company or their respective Affiliates, employees, officers, directors, products, services, customers or owners.
 5. For purposes of this Exhibit A:
 - a. "Confidential Information" shall be defined as any data or information (other than Trade Secrets) that is valuable to the Latham Companies (or, if owned by someone else, is valuable to that third party) and not generally known to the public or to competitors in the industry, including, but not limited to, any non-public information (regardless of whether in writing or retained as personal knowledge) pertaining to research and development; product costs, designs and processes; equityholder information; pricing, cost, or profit factors; quality programs; annual budget and long-range business plans; marketing plans and methods; contracts and bids; and business ideas and methods, store concepts, inventions, innovations, developments, graphic designs, website designs, patterns, specifications, procedures, databases and personnel.
 - b. The "Latham Companies" shall be defined as the Company and its direct and indirect subsidiaries and parent companies, and any Person in which the Company has a twenty percent or greater ownership interest, whether existing on the Date of Grant or thereafter acquired or formed.
 - c. "Trade Secret" means trade secret as defined by applicable state law. In the absence of such a definition, Trade Secret means information including, but not limited to, any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
 6. Prior to accepting any offer of employment during the Restricted Period, the Participant shall inform such employers of all covenants in this Exhibit A and, within two (2) business days of accepting an offer of employment with another employer, shall notify the Company of the name and address of the new employer and the title of the position accepted.
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7. The covenants in this Exhibit A are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of this Exhibit A relating to the time period, scope, or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Agreement shall automatically be considered to have been amended and revised to reflect such determination.
 8. All of the covenants in this Exhibit A shall be construed as an agreement independent of any other provisions in Exhibit A, and the existence of any claim or cause of action the Participant may have against any Latham Company, whether predicated on this Exhibit A or otherwise, shall not constitute a defense to the enforcement by any Latham Company of such covenants.
 9. This Exhibit A shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.
 - a. All disputes between or among any Persons arising out of or in any way connected with this Exhibit A shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Exhibit A not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten (10) days after such mailing.
 - b. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Exhibit A or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.
 10. The Participant has carefully read and considered the provisions of this Exhibit A and, having done so, agrees that the restrictive covenants in this Exhibit A impose a fair and
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reasonable restraint on the Participant and are reasonably required to protect the interests of the Latham Companies and their respective officers, directors, employees, and equityholders.

61207201

LATHAM GROUP, INC.
2021 OMNIBUS EQUITY INCENTIVE PLAN
STOCK APPRECIATION RIGHT AWARD AGREEMENT

THIS STOCK APPRECIATION RIGHT AWARD AGREEMENT (this “Agreement”), is entered into as of [____], 20[___] (the “Date of Grant”), by and between Latham Group, Inc., a Delaware corporation (the “Company”), and [____] (the “Participant”).

Capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to such terms in the Latham Group, Inc. 2021 Omnibus Equity Incentive Plan, as amended, restated or otherwise modified from time to time in accordance with its terms (the “Plan”).

WHEREAS, the Company has adopted the Plan, pursuant to which stock appreciation rights (the “SARs”) may be granted; and

WHEREAS, the Committee has determined that it is in the best interests of the Company and its stockholders to grant the SARs provided for herein to the Participant on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

1. Grant of Stock Appreciation Rights.

- (a) Grant. The Company hereby grants to the Participant a total of [___] SARs with a Strike Price of \$[____], on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan, pursuant to which the Participant shall be eligible to receive a number of shares of Common Stock with a Fair Market Value, determined on the date of exercise, equal to the product of (i) the aggregate number of vested SARs exercised multiplied by (ii) the excess of (A) the Fair Market Value of a share of Common Stock, determined on the date of exercise, over (B) the Strike Price specified above, subject to Participant’s fulfillment of the vesting and other conditions set forth in this Agreement. The SARs may only be settled in shares of Common Stock and shall vest in accordance with Section 2. The SARs subject to this Agreement are not being issued in tandem with an Option.
 - (b) Incorporation by Reference. The provisions of the Plan are incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision shall be binding and conclusive upon the Participant and the Participant’s beneficiary in respect of any questions arising under the Plan or this
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Agreement. The Participant acknowledges that the Participant has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

2. Vesting. Except as may otherwise be provided herein, subject to the Participant's continued employment with, appointment as a director of, or engagement to provide services to, the Company or any of its Affiliates, the SARs shall vest and become exercisable in equal installments on each of the first [____] anniversaries of the Date of Grant (each such date, a "Vesting Date"). The resulting aggregate number of vested SARs will be rounded to the nearest whole number, provided that the Participant may not vest in more than the number of SARs set forth in Section 1(a).

3. Termination of Employment or Services. Except as otherwise expressly set forth herein, if the Participant's employment with, membership on the board of directors of, or engagement to provide services to, the Company and its Affiliates terminates for any reason, the unvested portion of the SARs shall be canceled immediately and the Participant shall immediately forfeit without any consideration any rights to the shares of Common Stock subject to such unvested portion. If the Participant's employment with, membership on the board of directors of, or engagement to provide services to, the Company and its Affiliates terminates on account of such Participant's Disability or death, then the unvested portion of the SAR shall vest in full on the date of such Participant's Disability or death, as applicable. If the Participant's employment with or engagement to provide services to the Company and its Affiliates terminates on account of such Participant's Retirement, then the unvested portion of the SAR shall continue to vest in accordance with Section 2.

4. Expiration.

- (a) In no event shall all or any portion of the SARs be exercisable after the tenth annual anniversary of the Date of Grant (such ten-year period, the "SAR Period"); provided, that if the SAR Period would expire at a time when trading in the shares of Common Stock is prohibited by the Company's securities trading policy (or Company-imposed "blackout period"), the SAR Period shall be automatically extended until the 30th day following the expiration of such prohibition (but not to the extent that any such extension would otherwise violate Section 409A of the Code).
- (b) If, prior to the end of the SAR Period, the Participant's employment with, directorship with, or engagement to provide services to, the Company and all Affiliates is terminated without Cause or by the Participant for any reason, then the SARs shall expire on the earlier of the last day of the SAR Period or the date that is 90 days after the date of such termination; provided, however, that if the Participant's employment, directorship or engagement to provide services to the Company and its Affiliates is terminated and the Participant is subsequently rehired, reappointed or reengaged by the Company or any Affiliate within 90 days following such termination and prior to the expiration of the SARs, the Participant shall not be considered to have undergone a termination of employment or service,

as applicable (including under Section 3), and therefore the unvested and vested SARs shall continue in the ordinary course under this Agreement. In the event of a termination described in this subsection (b), the SARs shall remain exercisable by the Participant until its expiration only to the extent that the SARs were exercisable at the time of such termination.

- (c) If (i) the Participant's employment with, directorship with, or engagement to provide services to, the Company is terminated prior to the end of the SAR Period on account of such Participant's Disability, (ii) the Participant dies while still a director of, or still in the employ or engagement of the Company or an Affiliate, or (iii) the Participant dies following a termination described in subsection (b) above but prior to the expiration of the SARs, the SARs shall expire on the earlier of the last day of the SAR Period or the date that is one year after the date of termination on account of Disability or death of the Participant, as applicable. In such event, the SARs shall remain exercisable by the Participant or Participant's beneficiary, as applicable, until its expiration only to the extent that the SARs were exercisable by the Participant at the time of such event.
- (d) If the Participant's employment with the Company or a Subsidiary is terminated prior to the end of the SAR Period on account of such Participant's Retirement, the SARs shall expire on the earlier of the last day of the SAR Period or the date that is 90 days after the date of termination on account of Retirement of the Participant. For purposes of this Section 4(d):
 - (i) "Retirement" means (i) the termination of the Participant's employment with the Company or a Subsidiary was (a) voluntarily made by the Participant, or (b) mutually agreed upon by between the Participant and the Company, and, in each case, without Cause, as determined by the Committee, in its sole discretion, (ii) the Participant has provided a minimum of five Years of Service to the Company or a Subsidiary and attained a minimum age of 60, in each case, as of the date of such termination, and (iii) the Participant has provided six months advanced notice of such Participant's consideration of retirement to the Company (or to the Board, if the Participant is subject to Section 16 of the Exchange Act), as determined by the Committee in its sole discretion.
 - (ii) "Years of Service" means a Participant's total number of years of employment with the Company or a Subsidiary based on a period of employment beginning on the Participant's date of hire by the Company or a Subsidiary and ending on the date of termination of the Participant's employment with the Company or a Subsidiary; provided that, Years of Services shall not include any period of a Participant's employment with a Subsidiary or a business acquired by the Company prior to the date that such Subsidiary or business was acquired by the Company.

- (e) If the Participant ceases employment with or engagement to provide services to the Company or any Affiliates or is removed as a director due to a termination for Cause, the SARs (whether vested or unvested) shall expire immediately upon such termination.

5. Method of Exercise and Form of Payment. No shares of Common Stock shall be delivered pursuant to any exercise of the SARs until payment in full to the Company of the Strike Price and an amount equal to any U.S. federal, state, local and non-U.S. income and employment taxes required to be withheld. The SARs may be exercised by delivery of written or electronic notice of exercise to the Company or its designee (including a third-party-administrator) in accordance with the terms hereof. The Strike Price and all applicable required withholding taxes shall be payable (i) in cash, check, cash equivalent and/or in shares of Common Stock valued at the Fair Market Value at the time the SARs are exercised (including, pursuant to procedures approved by the Committee, by means of attestation of ownership of a sufficient number of shares of Common Stock in lieu of actual delivery of such shares to the Company); provided that such shares of Common Stock are not subject to any pledge or other security interest; or (ii) by such other method as the Committee may permit, including without limitation: (A) in other property having a Fair Market Value equal to the Strike Price and all applicable required withholding taxes or (B) if there is a public market for the shares of Common Stock at such time, by means of a broker-assisted “cashless exercise” pursuant to which the Company is delivered a copy of irrevocable instructions to a stockbroker to sell the shares of Common Stock otherwise deliverable upon the exercise of the SARs and to deliver promptly to the Company an amount equal to the Strike Price and all applicable required withholding taxes; or (C) by means of a “net exercise” procedure effected by withholding the number of shares of Common Stock otherwise deliverable in respect of the SARs that are needed to pay for the Strike Price and all applicable required withholding taxes. Any fractional shares of Common Stock resulting from the application of this Section 5 shall be settled in cash.

6. Delivery of Shares of Common Stock. Upon exercise of the SARs, the Participant will receive the number of shares of Common Stock in accordance with Section 1(a). The Company shall issue or deliver to the Participant in book entry notation or, if applicable, stock certificate form, the number of shares of Common Stock the Participant is entitled to receive under the terms of this Agreement as soon as practicable; and, when possible, in the same calendar year.

7. Rights as a Stockholder. The Participant shall not be deemed for any purpose to be the owner of any shares of Common Stock subject to the SARs unless, until and to the extent that (i) the SARs shall have been exercised pursuant to its terms, (ii) the Company shall have issued and delivered to the Participant the shares of Common Stock and (iii) the Participant’s name shall have been entered as a stockholder of record with respect to such shares of Common Stock on the books of the Company. The Company shall cause the actions described in clauses (ii) and (iii) of the preceding sentence to occur promptly following settlement as contemplated by this Agreement, subject to compliance with applicable laws.

8. Compliance with Legal Requirements.

- (a) Generally. The granting, exercise and settlement of the SARs, and any other obligations of the Company under this Agreement, shall be subject to all applicable U.S. federal, state and local laws, rules and regulations, all applicable non-U.S. laws, rules and regulations and to such approvals by any regulatory or governmental agency as may be required. The Participant agrees to take all steps that the Committee or the Company determines are reasonably necessary to comply with all applicable provisions of U.S. federal and state securities law and non-U.S. securities law in exercising the Participant's rights under this Agreement.
- (b) Tax Withholding. The exercise and settlement of the SARs shall be subject to the Participant satisfying any applicable U.S. federal, state and local tax withholding obligations and non-U.S. tax withholding obligations. The Participant shall be required to pay to the Company, and the Company shall have the right and is hereby authorized to withhold any cash, shares of Common Stock, other securities or other property or from any compensation or other amounts owing to the Participant, the amount (in cash, Common Stock, other securities or other property) of any required withholding taxes in respect of the SARs, settlement of the SARs or any payment or transfer of the SARs, and to take any such other action as the Committee or the Company deem necessary to satisfy all obligations for the payment of such withholding taxes (up to the maximum permissible withholding amounts). In its sole discretion, the Company may permit the Participant to satisfy, in whole or in part, the tax obligations by withholding shares of Common Stock that would otherwise be deliverable to the Participant upon settlement of the SARs with a Fair Market Value equal to such withholding liability.

9. **Clawback**. Notwithstanding anything to the contrary contained herein, the Committee may cancel the SARs award if the Participant, without the consent of the Company, has engaged in or engages in activity that is in conflict with or adverse to the interest of the Company or any Affiliate while employed by, serving as a director of, or otherwise providing services to, the Company or any Affiliate, including fraud or conduct contributing to any financial restatements or irregularities, or if the Participant violates the covenants set forth on Exhibit A attached hereto or any other non-competition, non-solicitation, non-disparagement or non-disclosure covenant or agreement with the Company or any Affiliate (after giving effect to any applicable cure period set forth therein), as determined by the Committee. In such event, the Participant will forfeit any compensation, gain or other value realized thereafter on the exercise and settlement of the SARs, the sale or other transfer of the SARs, or the sale of shares of Common Stock acquired in respect of the SARs, and must promptly repay such amounts to the Company. If the Participant receives any amount in excess of what the Participant should have received under the terms of the SARs for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), all as determined by the Committee, then the Participant shall be required to promptly repay any such excess amount to the Company. To the extent required by applicable law and/or the rules and regulations of the NASDAQ or any other securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted, or if so required pursuant to a written policy adopted by the Company, the SARs shall be subject (including

on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into this Agreement).

10. Restrictive Covenants.

- (a) Without limiting any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the Participant shall be subject to the confidentiality and restrictive covenants set forth on Exhibit A attached hereto, which Exhibit A is incorporated herein and forms part of this Agreement.
- (b) In the event that the Participant violates any of the restrictive covenants referred to in this Section 10, in addition to any other remedy that may be available at law or in equity, the SARs shall be automatically forfeited effective as of the date on which such violation first occurs. The foregoing rights and remedies are in addition to any other rights and remedies that may be available to the Company and shall not prevent (and the Participant shall not assert that they shall prevent) the Company from bringing one or more actions in any applicable jurisdiction to recover damages as a result of the Participant's breach of such restrictive covenants.

11. Miscellaneous.

- (a) Transferability. The SARs may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered (a "Transfer") by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under Section 14(b) of the Plan. Any attempted Transfer of the SARs contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the SARs, shall be null and void and without effect.
- (b) Waiver. Any right of the Company contained in this Agreement may be waived in writing by the Committee. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.
- (c) Section 409A. The SARs are not intended to be subject to Section 409A of the Code. Notwithstanding the foregoing or any provision of the Plan or this Agreement, if any provision of the Plan or this Agreement contravenes Section 409A of the Code or could cause the Participant to incur any tax, interest or penalties under Section 409A of the Code, the Committee may, in its sole discretion and without the Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A of the Code, or to avoid the incurrence of taxes, interest and penalties under Section 409A of the Code, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the

Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A of the Code. This Section 11(c) does not create an obligation on the part of the Company to modify the Plan or this Agreement and does not guarantee that the SARs will not be subject to interest and penalties under Section 409A.

- (d) Notices. Any notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax, pdf/email or overnight courier, or by postage-paid first-class mail. Notices sent by mail shall be deemed received three business days after mailing but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, to the attention of the General Counsel and to the Head of Human Resources at the Company's principal executive office.
- (e) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.
- (f) No Rights to Employment; Directorship or Service. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as a consultant, director or employee of the Company or any of its Affiliates or shall interfere with or restrict in any way the rights of the Company or any of its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.
- (g) Fractional Shares. In lieu of issuing a fraction of a share of Common Stock resulting from an adjustment of the SARs pursuant to Section 11 of the Plan or otherwise, the Company shall be entitled to pay to the Participant an amount in cash equal to the Fair Market Value of such fractional share.
- (h) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation.
- (i) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and of the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.
- (j) Entire Agreement. This Agreement (including Exhibit A attached hereto) and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto, other than any other non-competition, non-solicitation, non-disparagement or non-disclosure or other similar agreement to which the Participant may be a party, the covenants of

which shall continue to apply to the Participant in addition to the covenants in Exhibit A attached hereto, in accordance with the terms of such agreement. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto, except for any changes permitted without consent under Section 11 or 12 of the Plan.

- (k) Governing Law and Venue. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.
 - (i) Dispute Resolution; Consent to Jurisdiction. All disputes between or among any Persons arising out of or in any way connected with the Plan, this Agreement or the SARs shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Agreement not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten (10) days after such mailing.
 - (ii) Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.
- (l) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

- (m) Counterparts. This Agreement may be executed in one or more counterparts (including via facsimile and electronic image scan (pdf)), each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.
- (n) Electronic Signature and Delivery. This Agreement may be accepted by return signature or by electronic confirmation. By accepting this Agreement, the Participant consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by U.S. Securities and Exchange Commission rules (which consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant).
- (o) Electronic Participation in Plan. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, this Stock Appreciation Right Award Agreement has been executed by the Company and the Participant as of the day first written above.

LATHAM GROUP, INC.

By: _____
Name:
Title:

[PARTICIPANT]

[Signature Page to [_____] Stock Appreciation Right Award Agreement]

Exhibit A

1. During the Participant's employment with, or other engagement to provide services to, the Company or any of its Affiliates and for a period of twenty-four (24) months thereafter (the "Restricted Period"), the Participant shall not, either directly or indirectly, for himself or herself or on behalf of or in conjunction with any other Person:
 - a. solicit or attempt to solicit, recruit or attempt to recruit, hire or attempt to hire or in any way persuade any officer, director, employee, agent, or contract worker of the Latham Companies to end such Person's relationship with any Latham Company; or
 - b. solicit or attempt to solicit any business related to the business of the Latham Companies from any Person who is or was a customer or vendor of any Latham Company or an actively sought prospective customer or prospective vendor with whom the Participant had material business contact (through sales calls, presentations, or other business dealings) at any time during the five year period preceding the termination of Participant's employment.
2. During the Restricted Period, the Participant shall not, either directly or indirectly, individually or through any other person, firm, corporation or other entity, whether as owner, partner, investor, operator, manager, officer, director, consultant, agent, employee, co-venturer, advisor, representative or otherwise, engage, participate, assist or invest or actively prepare to engage, participate, assist or invest in the pool industry, or any other industries in which the Company or any of its Affiliates have done business during the Participant's employment with the Company or which the Company or any of its Affiliates were actively considering during such period. The restrictions set forth this Paragraph 2 shall apply to any conduct in North America and any other geographical area in which the Company or any of its Affiliates operate or provide services or are actively preparing to operate or provide services as of the date of Participant's employment with the Company or any of its Affiliates.
3. The Participant hereby agrees to hold in confidence all Confidential Information and Trade Secrets of the Latham Companies that came into the Participant's knowledge during the period of time during which the Participant was employed by, or otherwise providing services to, the Company or any of its Affiliates and will not disclose, publish or make use of such Confidential Information or Trade Secrets without the prior written consent of the Company for as long as the information remains Confidential Information or a Trade Secret. Notwithstanding the foregoing, the provisions of this paragraph will not prevent the Participant from making a disclosure that (a) is made in the ordinary course of the Participant's duties with the Company or any of its Affiliates; (b) is made (i) in confidence to a Federal, State or local government official, either directly or indirectly, or to an attorney and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (c) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Further, Confidential Information or Trade Secrets shall not include information (x) that otherwise becomes generally known in the industry or to the public through no act of the Participant or any Person or entity acting by

or on the Participant's behalf or (y) information that the Participant can demonstrate to have had rightfully in the Participant's possession prior to the date on which the Participant first provided services to any Latham Company.

4. During the period of time during which the Participant is employed by, or otherwise providing services to, the Company or any of its Affiliates and thereafter, the Participant shall not, directly or indirectly, take any action, or encourage others to take any action, to disparage or criticize any Latham Company or their respective Affiliates, employees, officers, directors, products, services, customers or owners.
5. For purposes of this Exhibit A:
 - a. "Confidential Information" shall be defined as any data or information (other than Trade Secrets) that is valuable to the Latham Companies (or, if owned by someone else, is valuable to that third party) and not generally known to the public or to competitors in the industry, including, but not limited to, any non-public information (regardless of whether in writing or retained as personal knowledge) pertaining to research and development; product costs, designs and processes; equityholder information; pricing, cost, or profit factors; quality programs; annual budget and long-range business plans; marketing plans and methods; contracts and bids; and business ideas and methods, store concepts, inventions, innovations, developments, graphic designs, website designs, patterns, specifications, procedures, databases and personnel.
 - b. The "Latham Companies" shall be defined as the Company and its direct and indirect subsidiaries and parent companies, and any Person in which the Company has a twenty percent or greater ownership interest, whether existing on the Date of Grant or thereafter acquired or formed.
 - c. "Trade Secret" means trade secret as defined by applicable state law. In the absence of such a definition, Trade Secret means information including, but not limited to, any technical or nontechnical data, formula, pattern, compilation, program, device, method, technique, drawing, process, financial data, financial plan, product plan, list of actual or potential customers or suppliers or other information similar to any of the foregoing, which (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can derive economic value from its disclosure or use and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.
6. Prior to accepting any offer of employment during the Restricted Period, the Participant shall inform such employers of all covenants in this Exhibit A and, within two (2) business days of accepting an offer of employment with another employer, shall notify the Company of the name and address of the new employer and the title of the position accepted.

7. The covenants in this Exhibit A are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of this Exhibit A relating to the time period, scope, or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction or arbitrator to exceed the maximum time period, scope, or geographic area, as applicable, that such court or arbitrator deems reasonable and enforceable, then this Agreement shall automatically be considered to have been amended and revised to reflect such determination.
8. All of the covenants in this Exhibit A shall be construed as an agreement independent of any other provisions in Exhibit A, and the existence of any claim or cause of action the Participant may have against any Latham Company, whether predicated on this Exhibit A or otherwise, shall not constitute a defense to the enforcement by any Latham Company of such covenants.
9. This Exhibit A shall be construed and interpreted in accordance with the laws of the State of Delaware, without regard to principles of conflicts of laws thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Delaware.
 - a. All disputes between or among any Persons arising out of or in any way connected with this Exhibit A shall be solely and finally settled by the Committee, acting in good faith, the determination of which shall be final. Any matters not covered by the preceding sentence shall be solely and finally settled in accordance with the Plan, and the Participant and the Company consent to the personal jurisdiction of the United States federal and state courts sitting in Wilmington, Delaware, as the exclusive jurisdiction with respect to matters arising out of or related to the enforcement of the Committee's determinations and resolution of matters, if any, related to the Plan or this Exhibit A not required to be resolved by the Committee. Each such Person hereby irrevocably consents to the service of process of any of the aforementioned courts in any such suit, action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the last known address of such Person, such service to become effective ten (10) days after such mailing.
 - b. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Exhibit A or the transactions contemplated (whether based on contract, tort or any other theory). Each party hereto (A) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (B) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this section.
10. The Participant has carefully read and considered the provisions of this Exhibit A and, having done so, agrees that the restrictive covenants in this Exhibit A impose a fair and

reasonable restraint on the Participant and are reasonably required to protect the interests of the Latham Companies and their respective officers, directors, employees, and equityholders.

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LATHAM GROUP, INC.

I, Oliver C. Gloe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Latham Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Securities Exchange Act Rule 13-a15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 5, 2025

/s/ Oliver C. Gloe

Oliver C. Gloe
Chief Financial Officer
Latham Group, Inc.

LATHAM GROUP, INC.CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Latham Group, Inc. (the “Company”) on Form 10-Q for the period ending September 27, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Scott M. Rajeski, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 5, 2025

/s/ Scott M. Rajeski

Scott M. Rajeski
Chief Executive Officer and President
Latham Group, Inc.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

LATHAM GROUP, INC.CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Latham Group, Inc. (the “Company”) on Form 10-Q for the period ending September 27, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Oliver C. Gloe, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 5, 2025

/s/ Oliver C. Gloe

Oliver C. Gloe
Chief Financial Officer
Latham Group, Inc.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 1350 of Title 18 of the United States Code and, accordingly, is not being filed with the U.S. Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).
