



Agenda and notice

for the Extraordinary General Meeting of Shareholders of Hydratec Industries N.V.

to be held on Wednesday 14 August 2024 at 10.00 hrs (CEST)

Van der Valk Hotel Amersfoort, Ruimtevaart 22-24, 3824 MX Amersfoort, The Netherlands

1. Opening
2. Recommended public offer
 - a. Explanation of the recommended public cash or share offer by Hydra Invest B.V. to acquire all issued and outstanding shares in the capital of the Company (*information*)
 - b. Conditional Post-Closing Merger and Sale (*resolution*)
 - c. Amendments to the articles of association
 - i. Conditional amendment of the articles of association of the Company as per Settlement (*resolution*)
 - ii. Conditional conversion and amendment of the articles of association of the Company as per Delisting (*resolution*)
3. Composition of the Management Board and Supervisory Board
 - a. Notification of the reappointment B.F. Aangenendt as Managing Director and CEO of the Company (*information*)
 - b. Supervisory Board
 - i. Notification of vacancies on the Supervisory Board (*information*)
 - ii. Appointment of Mr. D.J. Raithel (*resolution*)
 - iii. Appointment of Ms. J. ten Cate (*resolution*)
4. Other
5. Closing

The draft deed of amendment of the articles of association in connection with agenda item 2.c.i together with a triptych containing explanatory notes to the proposed amendments, the draft deed of conversion and amendment of the articles of association in connection with agenda item 2.c.ii, the short resumes of Mr. D.J. Raithel and Ms. J. ten Cate and the other meeting documents as well as the documents relating to the recommended public offer, have been published on the Company's website (www.hydratec.nl). copies of the meeting documents can be obtained, free of charge, from the Company's office: Spoetnik 20, Amersfoort, The Netherlands and from the offices of ABN AMRO Bank N.V. (Gustav Mahlerlaan 10, Amsterdam, the Netherlands).

Registration Date

Pursuant to the Law, the persons entitled to vote and attend meetings are the persons who on Wednesday 17 July 2024 (the "**Registration date**"), after the processing of all registrations and de-registrations as of the Registration date, are registered as a shareholder in the manner described below in a (sub)register as referred to below and are registered in the manner as described below. The designated (sub-)registers are the administrations of the intermediaries within the meaning of the Giro Securities Transactions Act and the Company's register of shareholders.

Registration

The notice is applicable for shareholders who have registered their shares with ABN AMRO via www.abnamro.com/shareholder between Thursday 18 July 2024 and Wednesday 7 August 2024, 17:00 hrs. The intermediaries must issue an electronic statement to ABN AMRO latest on Thursday 8 Augustus 2024 by 13:00 hrs (CET) via www.abnamro.com/intermediary stating the number of shares held by and submitted for registration by the shareholder on the Registration date, as well as, if applicable, an electronic or written proxy. The registration certificate provided by ABN AMRO also serves as proof of entitlement to admission to the Extraordinary General Meeting of Shareholders (the "**EGM**").

The number of shares with voting rights on the date of this EGM notice (28 June 2024) amounts to 1,294,482.

Proxy and voting instruction

Shareholders who are unable to attend the EGM may, without prejudice to the above provisions regarding registration, issue a proxy and voting instruction to the Chair and the Vice-Chair of the Company's Supervisory Board. A proxy and voting instruction may be submitted electronically via www.abnamro.com/shareholder until 17:00 hrs on 7 August 2024. If a shareholder is unable to issue a proxy and voting instruction electronically, a proxy and voting instruction may also be issued in writing using the form that can be downloaded for this purpose from the Company's website www.hydratec.nl. The proxy and voting instruction form completed and duly signed by the shareholder must be received by the Company (by mail or by email: info@hydratec.nl) not later than 17:00 hrs on 7 August 2024.

Admission to the EGM

Admission registration will take place from 09:30 hrs until the start of the EGM at 10:00 hrs. After this time registration will no longer be possible. Persons entitled to attend the EGM must show a valid proof of this entitlement (registration certificate). They may also be asked to provide valid proof of their identity at the entrance of the EGM and they must sign the attendance list. Shareholders unable to attend the EGM may be represented by a maximum of one proxy.

Amersfoort, 28 June 2024

Management Board Hydratec Industries N.V.

Notes to the agenda and meeting documents for the Extraordinary General Meeting of Shareholders ("EGM") of Hydratec Industries N.V. ("Hydratec" or "Company"):

Terms not defined in these explanatory notes will have the meaning ascribed to them in the Offer Document (as defined below).

2. Recommended public offer

2.a. Explanation of the recommended public cash or share offer by Hydra Invest B.V. to acquire all issued and outstanding shares in the capital of the Company (information)

On 28 June 2024, an offer document (the "**Offer Document**") was made publicly available, containing the details of the voluntary recommended public offer by Hydra Invest B.V. (the "**Offeror**") for all issued and outstanding ordinary shares with a nominal value of EUR 0.45 in the capital of the Company (the "**Shares**", each a "**Share**", and the holders of such Shares: the "**Shareholders**"), against (i) EUR 142.50 (cum dividend) in cash per Share (the "**Cash Consideration**"), or (ii) at the election of each Shareholder, one non-listed ordinary share in the capital of the Offeror (an "**Offeror Share**") per Share (the "**Share Consideration**", together with the Cash Consideration: the "**Consideration**") on the terms and subject to the conditions and restrictions set forth in the Offer Document (the "**Offer**" and together with possible steps to be taken after declaring the Offer unconditional as further set out in the Offer Document: the "**Transaction**").

The Offer Document was approved by the Netherlands Authority for the Financial Market (*Stichting Autoriteit Financiële Markten*). The offer period under the Offer begins at 9:00 hours, Amsterdam time, on 1 July 2024 and ends at 17:40 hours, Amsterdam time, on 23 August 2024 (such period, as it may be extended from time to time, the "**Offer Period**").

In addition to key terms such as the Consideration, the Offer Period, the acceptance procedure and the settlement of the Offer, the Offer Document contains an explanation of the conditions to declaring the Offer unconditional and other relevant information regarding the Offer, its consequences and the parties involved in the Offer.

On the date of the Offer Document, the Company published a position statement relating to the Offer (the "**Position Statement**"). The management board of the Company (the "**Management Board**") has extensively considered the Offer and the Consideration. The supervisory board of the Company (the "**Supervisory Board**", and together with the Management Board: the "**Company's Boards**") has, together with and independently from the Management Board, also extensively considered the Offer and the Consideration. Reference is made to the Position Statement, in which the decision-making process and the recommendations of the Company's Boards are included, and the financial and non-financial merits of the Offer and the Transaction are explained.

As detailed in the Position Statement, the Company's Boards unanimously support the Transaction and recommend the Offer at the Consideration for acceptance by the Shareholders and recommend Shareholders to vote in favour of the resolutions relating to the Offer at the EGM. During the EGM, a presentation will be given on the Transaction and the Offer will be discussed in accordance with article

18(1) of the Dutch Decree on Public Bids (*Besluit openbare biedingen Wft*).

After the initial joint announcement by the Company and the Offeror, the works councils of the Group at the level of Pas Reform B.V., Rollepaal Pipe Extrusion Technology B.V., Lan Handling Technologies B.V., Timmerije B.V., and Helvoet Rubber & Plastic Technologies B.V. (the "**Works Councils**"), were informed of the Transaction. As the Offeror already (indirectly) controls the Company, there is no change in control due to the Offer. Therefore, the Works Councils do not have a consultation right regarding the Offer, nor is there an obligation to inform the secretariat of the Social Economic Council (*Sociaal Economische Raad*) or any trade unions of the Offer in accordance with the *SER Fusiegedragsregels 2015* (the Dutch code in respect of informing and consulting of trade unions). The Works Councils were consulted regarding (i) their right to take a view on the contemplated appointment of the new Supervisory Board candidates (as included under agenda item 3.b) and (ii) the Triangular Merger (as defined below) and the related actions as contemplated in connection therewith. Each of the Works Councils has either rendered a positive advice regarding the Triangular Merger or waived their right of advice in writing.

2.b. Conditional Post-Closing Merger and Sale (resolution)

The Company's Boards acknowledge that the terms of the Offer are predicated on the acquisition of 100% (*one hundred per cent*) of the Shares or the Company's assets and operations. In that respect the Merger Protocol envisages the possibility for the Offeror to, after completion of the Offer, pursue the Post-Closing Merger and Sale on the terms and subject to the conditions set forth in section 4.13.3 of the Offer Document (*Post-Closing Merger and Sale*) and section 7.3 of the Position Statement (*Post-Closing Merger and Sale*).

The Post-Closing Merger and Sale restructuring consists, in summary, of the following main steps: (i) a triangular merger (*juridische driehoeksfusie*) (the "**Triangular Merger**"), (ii) the Merger Share Sale (as defined below) and (iii) the Holdco Dissolution. The Triangular Merger comprises of a statutory triangular merger (*juridische driehoeksfusie*) of the Company as disappearing company (*verdwijnende vennootschap*) with and into Hydratec Sub B.V. ("**Company Sub**") as acquiring company (*verkrijgende vennootschap*), with each holder of a Share immediately prior to completion of the Triangular Merger receiving one (1) share in the share capital of Hydratec Holdco B.V. ("**Company Holdco**") on a share-for-share basis and by operation of law, in accordance with article 2:309 and further, and 2:333a of the Dutch Civil Code.

After and subject to (i) the adoption of this resolution 2.b.i., (ii) the Offer being declared unconditional and the settlement of the Shares tendered during the Post-Acceptance Period having taken place (if applicable), and (iii) the Tendered, Owned and Committed Shares representing at least 90% of the Company's issued and outstanding share capital, but less than 95%, the Offeror may notify the Company that it wishes to implement the Post-Closing Merger and Sale.

If the Offeror wishes to implement the Post-Closing Merger and Sale:

- a. the Company, Company Holdco and Company Sub will effectuate the Triangular Merger by means of the execution of a customary notarial deed of merger;
- b. the Offeror will enter into a share sale agreement with Company Holdco pursuant to which the issued and outstanding share in the share capital of Company Sub will be sold and, pursuant to a notarial deed (the "**Merger Share Transfer Deed**"), transferred by Company Holdco to the Offeror (the "**Merger Share Sale**"). The aggregate purchase price

for the Company Sub Share shall be an amount equal to (i) the Cash Consideration multiplied by (ii) the total number of Shares issued and outstanding immediately prior to the Triangular Merger becoming effective (the "**Merger Share Sale Purchase Price**"). The Merger Share Sale Purchase Price shall be payable immediately following the execution of the Merger Share Transfer Deed as follows:

- i. an amount equal to (x) the Cash Consideration multiplied by (y) the total number of Shares held by holders of Shares other than the Offeror (such amount, the "**Merger Aggregate Minority Cash Out Amount**") will be paid by the Offeror's execution and delivery of a loan note to Company Holdco payable on demand by Company Holdco at arm's length terms (which shall take into account that such note is payable on demand by Company Holdco) in an aggregate principle amount equal to the Merger Aggregate Minority Cash Out Amount ("**Minority Cash Note**"); and
 - ii. an amount equal to (x) the Merger Share Sale Purchase Price minus (y) the Merger Aggregate Minority Cash Out Amount (such difference, the "**Merger Offeror Net Amount**") will be paid by the Offeror's execution and delivery of a loan note to Company Holdco payable on demand by Company Holdco at arm's length terms (which shall take into account that such note is payable on demand by Company Holdco) in an aggregate principle amount equal to the Merger Offeror Net Amount.
- c. the Company shall adopt prior to the implementation of the Triangular Merger, in its capacity as sole shareholder of Company Holdco, a resolution to, subject to and with effect as per immediately following execution of the Merger Share Transfer Deed, (i) dissolve Company Holdco in accordance with section 2:19 DCC (the "**Holdco Dissolution**"), (ii) appoint a special purpose vehicle as the liquidator of Company Holdco (the "**Liquidator**"), (iii) approve reimbursement of the Liquidator's reasonable salary and costs, (iv) appoint Company Sub as the custodian of the books and records of Company Holdco in accordance with section 2:24 DCC, (v) accept the resignation of Company Holdco's managing directors as per the Holdco Dissolution, and (vi) grant full and final discharge to Company Holdco's managing directors up until immediately prior to the Holdco Dissolution becoming effective; and
- d. Company Sub shall cause Company Holdco to, following the execution of the Merger Share Transfer Deed, demand payment of the Minority Cash Note and cause the effectuation of the Holdco Dissolution and cause the Liquidator to resolve to make an advance liquidation distribution per share in the capital of Company Holdco, whereby such advance liquidation distribution is intended to take place on or around the date of the execution of the Merger Share Transfer Deed and in an amount per share that is to the fullest extent possible equal to the Cash Consideration, without any interest and less any applicable Taxes to be withheld in connection with the contemplated liquidation.

For further details of the Post-Closing Merger and Sale and the Dutch dividend withholding tax treatment of the liquidation as referred to in sub d, reference is made to section 11.3.3 of the Offer Document.

The Merger Proposal, including its schedules, and the other documents required to be filed in

connection with the Triangular Merger on the basis of the Dutch Civil Code, are available at the Company's offices and on the Company's website (www.hydratec.nl).

It is proposed, upon the joint proposal of the Company's Boards, to resolve (i) upon the Triangular Merger in accordance with the terms and conditions of the Merger Proposal; and (ii) to approve, to the extent required under law, the Merger Share Sale and the Holdco Dissolution. This resolution is subject to the conditions precedent that (a) the Offer is declared unconditional, (b) the Tendered, Owned and Committed Shares represent at least 90% of the Company's issued and outstanding share capital, but less than 95% ultimately following the settlement date of the Post-Acceptance Period, and (c) the Offeror having notified the Company that it wishes to implement the Post-Closing Merger and Sale.

2.c. Amendments to the articles of association

2.c.i. Conditional amendment of the articles of association of the Company as per Settlement (resolution)

It is proposed, upon the joint proposal of the Company's Boards and subject to the Offer being declared unconditional, to amend the Company's articles of association in accordance with the draft deed of amendment of the articles of association drawn up by AKD N.V. This amendment shall be executed and become effective as soon as practicable at Settlement.

The proposed amendments include the following main changes:

- a. provide for the authority for the Offeror to convene a general meeting of the Company (article 27.1);
- b. remove the requirement of a proposal by the Management Board, subject to Supervisory Board approval (if applicable), or the requirement of a proposal by the Management Board jointly with the Supervisory Board for the following resolutions by the general meeting:
 - i. the issuance of shares (article 9.1);
 - ii. capital reduction (article 13.1);
 - iii. amendments of the Company's articles of association (article 35); and
 - iv. dissolution of the Company and liquidation of the Company's affairs (article 35);
- c. provide that, in addition to the authority for the Supervisory Board to rule that certain decisions by the Management Board must be subject to the approval of the Supervisory Board, the general meeting will have the authority to rule that certain decisions by the Management Board must be subject to the approval of the general meeting (article 18.3 (new));
- d. provide for provisions for the absence and/or inability to act of members of the Supervisory Board (article 22.4 (new)); and
- e. provide for certain changes to align the Company's articles of association with mandatory Dutch law (article 6.2, article 7 and article 28.6)

The Group will only apply or continue to apply the provisions of the large company regime

(*structuurregime*) to the extent it is legally required to do so. The Offeror will review the possibility to amend or delete the large company regime from the Group post Settlement, thereby at all times acting in compliance with applicable Laws.

A draft deed of amendment of the articles of association (together with a triptych with explanatory notes to the proposed amendments) is available at the Company's offices and on the Company's website (www.hydratec.nl).

This proposal includes the proposal to authorize each lawyer, (candidate) civil-law-notary and paralegal employed by AKD N.V. to execute the deed of amendment of the articles of association.

2.c.ii. Conditional conversion and amendment of the articles of association of the Company as per Delisting (resolution)

The Offeror and the Company agreed that they shall, as soon as reasonably practicable after Settlement, seek to procure the delisting of the Shares from Euronext (including the Shares not tendered under the Offer) and the termination of the listing agreement between the Company and Euronext Amsterdam N.V. in relation to the listing of the Shares (the "**Delisting**").

It is proposed, upon the joint proposal of the Company's Boards and subject to the Offer being declared unconditional, to convert the Company into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*). The conversion shall be executed and become effective as soon as practicable following the Delisting.

In connection with the conversion, it is proposed, upon the joint proposal of the Company's Boards and subject to the Offer being declared unconditional, to amend the Company's articles of association in accordance with the draft deed of conversion and amendment of the articles of association drawn up by AKD N.V. This amendment shall be executed and become effective as soon as practicable following Delisting.

These amendments include the following main changes:

- a. delete and amend all references to 'girodepot', 'verzameldepot' and 'beursvoorschriften';
- b. changes related to the conversion of the Company to a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*); and
- c. provide for certain governance provisions relating to the anticipation of the Company being privately held as a subsidiary of the Offeror following completion of the Statutory Buy-Out Proceedings, including:
 - (i) providing that – instead of the Supervisory Board – the general meeting will determine the remuneration and the other (employment) conditions of the members of the Management Board;
 - (ii) providing that the result of a financial year of the Company is at the disposal of the general meeting (subject to the approval of the Management Board as required by article 2:216 of the Dutch Civil Code) without the requirement of a proposal by the Management Board, subject to Supervisory Board approval, and

without the authority of the Management Board, subject to Supervisory Board approval, to reserve any part of the profits of a financial year;

- (iii) providing that – instead of the Management Board, subject to Supervisory Board approval – the general meeting is authorised to resolve upon an interim dividend;
- (iv) providing that the general meeting is authorised to resolve upon a distribution from the distributable reserves of the Company (whether in cash or in kind) without the requirement of a proposal by the Management Board, subject to Supervisory Board approval; and
- (v) providing for the authority of the Offeror to place items on the agenda of a general meeting of the Company.

The draft deed of conversion and amendment of the articles of association is available at the Company's offices and on the Company's website (www.hydratec.nl).

This proposal includes the proposal to authorize each lawyer, (candidate) civil-law-notary and paralegal employed by AKD N.V. to execute the deed of conversion and amendment of the articles of association.

3. Composition of the Management Board and Supervisory Board

3.a. Notification of the reappointment of B.F. Aangenendt as Managing Director and CEO of the Company (information)

The Supervisory Board will elaborate on the reappointment Mr. B.F. Aangenendt as member of the Management Board and CEO of the Company with effect from the date of 10 June 2024.

3.b. Supervisory Board

3.b.i. Notification of vacancies on the Supervisory Board (information)

The Supervisory Board has resolved to increase the size of the Supervisory Board from three to four members. As a result, there are currently two vacancies on the Supervisory Board. None of these vacancies is subject to a special right of recommendation from the Works Councils. The Works Councils have been notified of the vacancies and have indicated that they will not exercise their right of recommendation for these vacancies.

In view of the two vacancies on the Supervisory Board, the Supervisory Board nominates each of the following two persons for appointment as member of the Supervisory Board as per the date on which the Offeror announces whether or not it declares the Offer unconditional (*gestand doet*), which is within three Business Days following the last day of the Offer Period (the "**Unconditional Date**").

The Supervisory Board recommends appointing Dennis Raithel ("**Mr. D.J. Raithel**") in view of his financial knowledge, and his management experience will contribute to the Supervisory Board. Given the current and proposed diverse composition of the Supervisory Board, the proposed appointment of Mr. D.J. Raithel is in accordance with the applicable diversity regulations.

Mr. D.J. Raithel is 57 years old at the date hereof. He obtained a Master's degree in Dutch law and a

doctoral in Economics from the Vrije Universiteit Amsterdam, the Netherlands. He started his career as compliance officer for Euronext and was European Head of Compliance of Rabobank International. Thereafter, he was CEO of Bank ten Cate & Cie for almost 20 years. Furthermore, he held various other (supervisory) positions and is already closely involved with the Company as advisor to the Supervisory Board. He currently also holds the following other mandates: non-executive director of SIDN fonds and member of the board of trustee and chair of the audit committee of Stichting Internet Domeinregistratie Nederland.

Mr. D.J. Raithel complies with the Dutch Act on Management and Supervision as regards the maximum number of supervisory board and non-executive board membership in large Dutch entities. He holds no shares in the Company and is independent in the meaning of principle 2.1.8 of the Dutch Corporate Governance Code.

The Supervisory Board also recommends appointing Ms. Judith ten Cate ("**Ms. J. ten Cate**") in view of her management experience and close involvement with the Company via TCIM, the Company's largest shareholder. Given the current and proposed diverse composition of the Supervisory Board, the proposed appointment of Ms. J. ten Cate is in accordance with the applicable diversity regulations.

Ms. J. ten Cate is 44 years old at the date hereof. She obtained an International Baccalaureate at St. Clare's, Oxford, England, and studied International Marketing & Management at the International Business School of Groningen, the Netherlands. She started her career as marketeer with ING Retail. Thereafter, she worked at Bank ten Cate & Cie. She is a managing director of TCIM, the Company's largest shareholder and is as such already closely involved in the Company. She currently also holds the following mandates: director of De Leuriks B.V. and executive director of Landgoed Bellinckhof.

Ms. J. ten Cate complies with the Dutch Act on Management and Supervision as regards the maximum number of supervisory board and non-executive board membership in large Dutch entities. She holds 306,041 shares in the Company through her stake in TCIM, the Company's current major shareholder. Therefore she is not independent in the meaning of principle 2.1.8 of the Dutch Corporate Governance Code.

For the short resumes of Mr. D.J. Raithel and Ms. J. ten Cate, reference is made to the annex.

The nominations are each made subject to the condition that no persons are recommended for appointment by the general meeting of the Company.

The Works Councils were notified of the nominations well in advance, so that they could form an opinion on the nominations. The chairs of the Works Councils, or members designated by them, may explain their respective opinions at the EGM.

*3.b.ii. Appointment of Mr. D.J. Raithel (**resolution**)*

It is proposed to appoint Mr. D.J. Raithel as member of the Supervisory Board with effect as per the Unconditional Date.

If appointed, Mr. D. J. Raithel will receive remuneration in accordance with the remuneration policy for the Supervisory Board.

*3.b.iii. Appointment of Ms. J. ten Cate (**resolution**)*

It is proposed to appoint Ms. J. ten Cate as member of the Supervisory Board with effect as per the

Unconditional Date.

If appointed, Ms. J. ten Cate will receive remuneration in accordance with the remuneration policy for the Supervisory Board.