

Introduction

Results of the meeting vote on the report on remuneration

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Monetary incentive plans for members of the administrative body, General Managers and other management with strategic responsibilities.

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Resolution Proposal

Introduction

This document was drafted in compliance with the regulations of Article 6 of the Code of Self Discipline for listed companies issued by Borsa Italiana Spa, as well as with Article 123-ter Legislative Decree no. 58/1998 (Testo Unico della Finanza, TUF), which requires listed companies to make available to the public a Remuneration Report prepared on the basis of the regulations laid out in article 84-quater and Annex 3A, Schedule 7-bis of the Regulation implementing the TUF adopted by Consob through resolution no. 11971 of 14 May 1999 (the "Issuer's Regulation").

Additionally, this report provides evidence of the investments held by the members of the Board of Directors, the members of the Board of Statutory Auditors, the General Operations Managers or spouses not legally separated and the minor children of such persons.

This report, approved by the Board of Directors on the proposal of the Remuneration Committee on 27 March 2018, defines and illustrates:

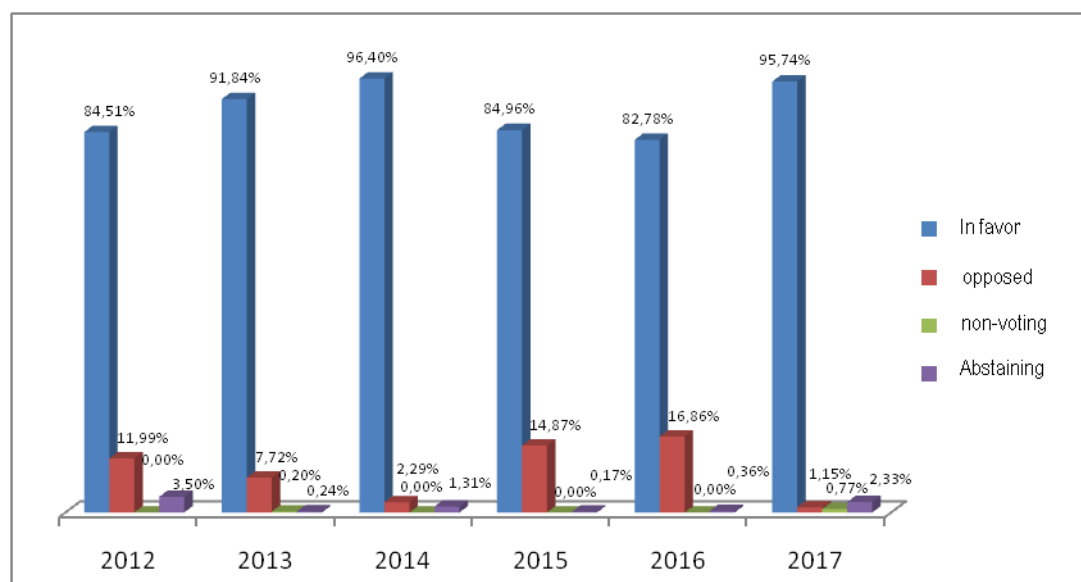
- in section I, Hera's policy for the remuneration of top managers, Directors and the General Operations Manager, specifying the general objectives pursued, the bodies involved as well as the procedures adopted for defining and implementing the policy;
- in Section II, the compensations nominally paid in 2017 to the members of the administrative and control bodies and to the General Operations Manager.

To facilitate the reading and comprehension of this report, a brief glossary is provided below with some of the most commonly used terms:

Bsc (Balanced scorecard)	it refers to the incentive system adopted by the Group and is connected to the variable short-term component of remuneration, once the pre-established individual and company objectives are achieved
The Group	it refers to all of the companies included in Hera Spa's scope of consolidation.
Deferred variable remuneration for management retention	it refers to the incentive system adopted by the Group and is connected to a variable component of deferred remuneration, once the pre-established individual and company objectives are achieved
Ral (Gross annual compensation)	it indicates the gross annual fixed component of remuneration for all the employees of one of the Group companies.
Rda (Direct annual compensation)	Rga + accrued yearly sum of the deferred annual component earned by the employees of one of the Group companies.
Rda (Global annual compensation)	Ral + variable annual component earned by the employees of one of the Group companies.
Rga target	Ral +theoretical maximum variable annual component that the employees of one of the Group companies can earn.
Company top management	refers to the Group's top figures: the executive chairman and the CEO.

Results of the meeting vote on the report on remuneration

The shareholders' meeting held on 27 April 2017 expressed a favourable opinion concerning section I of the report on remuneration, in compliance with art. 123-ter, paragraph 6, Tuf, with 95.74% favourable votes in favour of the shares with voting rights.



Section I

1 Introduction

The first section of this report outlines the basic principles and characteristics of the remuneration policy as applied to the top figures of the Hera Group, including the General Manager of Operations.

The fundamental principle which underpins the Group's culture and directs its choices is its commitment to combining economic and social value with the ultimate goal of satisfying the legitimate expectations of all stakeholders. Hera seeks to be a business that withstands the test of time and to improve society and the environment for future generations to come.

The sense of responsibility that is the hallmark of its corporate culture and mission translates into an approach to remuneration that is similarly responsible. The remuneration policy was conceived as a factor that contributes to improving corporate performance and the creation of value in the medium to long-term.

With a view to responsible reward and in keeping with the recommendations contained in Article 6 of the Borsa Italian Spa Code of Conduct, the Board of Directors, with the support of the Remuneration Committee, has therefore defined the remuneration policy for 2017.

Pursuant to paragraph 6 of article 123-ter of the TUF, the meeting is called on to decide on this Section I of the Remuneration Report.

2 Scope of application

In compliance with the provisions of Annex 3A for the implementation of the TUF adopted by Consob through Resolution no. 11971 of 14 May 1999 (Issuers' Regulation), the remuneration policy described in this document applies to the members of the administrative bodies and to the General Manager of Operations.

The table below lists the members, currently in office, of the Board of Directors and the Board of Statutory Auditors of Hera Spa, appointed at the Shareholders' Meeting of 27 April 2017, as well as the General Manager of Operations.

BOARD OF DIRECTORS	
Name and Surname	Office
Tomaso Tommasi di Vignano	Executive Chairman
Stefano Venier	CEO
Giovanni Basile	Vice Chairman (independent)
Francesca Fiore	Director (independent)
Giorgia Gagliardi	Director (independent)
Massimo Giusti	Director (independent)
Sara Lorenzon	Director (independent)
Stefano Manara	Director (independent)
Danilo Manfredi	Director (independent)
Alessandro Melcarne	Director (independent)
Erwin P.W. Rauhe	Director (independent)
Duccio Regoli	Director (independent)
Federica Seganti	Director (independent)
Marina Vignola	Director (independent)
Giovanni Xilo	Director (independent)
BOARD OF STATUTORY AUDITORS	
Name and Surname	Office
Myriam Amato	Chairman
Antonio Gaiani	Standing auditor
Marianna Girolomini	Standing auditor
Stefano Gnocchi	Alternate auditor
Valeria Bortolotti	Alternate auditor
MANAGEMENT WITH STRATEGIC RESPONSABILITIES	
Name and Surname	Office
Roberto Barilli	Hera Spa General Manager of Operations

3 Governance Model

3.01 Remuneration policy definition and approval process

The bodies and persons involved in the preparation and approval of Hera Spa remuneration policy report, as well as the bodies or persons in charge of correctly implementing this policy, are listed below:

Entity or person responsible	Responsibility/ Activity
Shareholders' meeting	Non-binding approval of the First Section of the Report on Remuneration.
Board of Directors	Following the recommendation of the Remuneration Committee, defines, examines and approves a remuneration policy for directors and management with strategic responsibilities to be presented to the Shareholders' meeting for approval
Remuneration Committee	Formulates proposals to present to the Board of Directors for compensating the Executive Chairman, Vice President, CEO and General Manager and for adopting general remuneration criteria for managers.
Executive Chairman	Proposes policies for Group managers to the Remuneration Committee
Human Resources General Manager	Supports the Remuneration Committee, specifically with technical aspects. Oversees the proper implementation of compensation policy

3.02 Role, composition and responsibilities of the Remuneration Committee

The Remuneration Committee has the task of formulating proposals to the Board of Directors for the remuneration of the Chairman, Vice Chairman, CEO and the General Manager, as well as based on the suggestions put forward by the CEO, for the adoption of general remuneration criteria for managers.

The Committee also regularly evaluates the adequateness, overall consistency and concrete application of the general policy adopted for the remuneration of Executive Directors and the General Operations Manager.

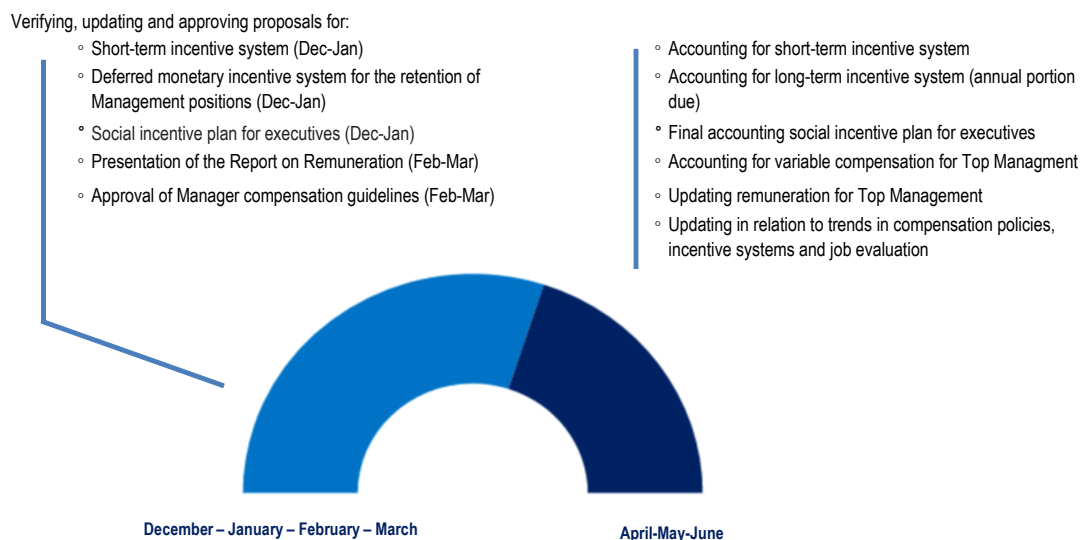
In carrying out its duties, the Remuneration Committee can access the necessary information and company functions for performing its tasks.

This Committee, initially set up at the meeting of the Board of Directors on 4 November 2002 and most recently renewed, in its latest format, on 10 May 2017, comprises the following non-executive, independent directors: Giovanni Basile acting as Chairman, Francesca Fiore, Massimo Giusti and Stefano Manara. Note that the Chairman Giovanni Basile as well as one of the members of the Committee, Massimo Giusti, have experience in accounting and finance, deemed suitable by the Board of Directors at the time of appointment. The executive Chairman and the CEO may attend the Committee meetings upon express invitation of the Chairman of the Committee.

The Remuneration Committee met 3 times during 2015, and two of the meetings were attended by all members of the committee while one meeting was attended by the majority of the members. All meetings were attended by the Chairman, the CEO and the General Manager of Human Resources and Organisation of Hera Spa, while 2 meetings were attended by Hera Spa General Manager of Corporate Social Responsibility. The meetings of the Remuneration Committee lasted, on average, of one hour and thirty minutes.

3.02.01 Cycle of activity of the Remuneration Committee

The Committee's activities are carried out in order to implement the yearly plan, which includes the following phases:



3.02.02 Carried out and scheduled activities

During the meetings held in the 2017 financial year, all regularly recorded in the minutes, the following subjects were discussed:

- Balanced Scorecard system 2017 for Group Directors, Executives and Managers.
- Remuneration report for the 2016 financial year
- Variations in the 2016 financial statement, corporate objectives component;
- Accounting for 2016 variable remuneration for company top management;
- Salary guidelines for 2017;
- Variations in the remuneration of company top management.

4 Hera group remuneration policy

4.01 Aims and Fundamental Principles

The Company defines and applies a General Policy on remuneration designed to attract, motivate and retain resources which possess the professional qualities needed to effectively pursue the Group's objectives.

The Policy is defined in such a way as to align the interests of management with those of shareholders, with the main goal being the creation of sustainable value in the medium to long-term, through the consolidation of the link between reward and performance, both of individuals and the Group.

Within this context of responsible rewards, the guiding principles adopted for defining the remuneration policy for the top management are:

- constant reference to the external market, for the reference sector as well, in order to check the consistency of the company's remuneration scheme, with the dual purpose of retaining directors and keeping costs down;
- focus on internal consistency between the level of remuneration offered and the complexity of the role performed;
- the use and constant updating of the methodology for evaluating offices, with the objective of guaranteeing standardised remuneration comparisons and analyses that are consistent with the development of the Group's organisational framework over time.

4.02 Correlation between remuneration, risk profile and company performance

The Hera Group has defined an integrated risk management and internal control system in relation to the financial information process pursuant to the provisions of Article 123-bis, paragraph 2, letter b) of the TUF. 123-bis, comma 2, lett. b) del Tuf.

This system is aimed at identifying, evaluating, managing and monitoring the main risks that could compromise the achievement of the objectives of dependability, accuracy, reliability and timeliness of financial information. The Hera System takes its inspiration from the internationally recognised Coso Framework reference model, for the analysis, implementation and evaluation of the risk management and internal control system.

In relation to the industry to which it belongs, the risk profile of the Hera Group occupies an intermediate position, between operators that concentrate more on regulated activities and operators involved in more risky free-market activities. Overall, the risk profile is very conservative.

The remuneration currently offered is directed at preventing management from behaving in a way that would expose the company to excessive risks or the non-sustainability of the Group's results in the medium to long-term.

In order to underline congruence with the risk profile, the current remuneration policy involves a annual incentive plan (variable remuneration) based on a balanced scorecard system, with the objective of balancing the various perspectives of company stakeholders (reference shareholders, the market, institutional investors, customers, employees, the territory, etc.) with regard to the creation of value, sustainable performance and development as well as dividend policy;

In relation to the solid growth of the Group in terms of business results, company size and territorial presence and the investment made over the years to win valuable resources in key roles for the development and sustainability of the company strategy, a deferred incentive plan was laid down to retain the management, representing the most appropriate retention tool in line with the distinctive features of the Group.

The performance targets, based on which the variable remuneration components are assigned, are put to the Board of Directors by the Remuneration Committee. In the proposal, the Committee differentiates between economic-financial indicators and sustainability indicators and provides details concerning the correlation between variation in results and variation in remuneration.

4.03 The Group's leadership model

With a view to responsible reward and with the aim of strengthening the connection among remuneration, performance and managers' behaviour, the Group's leadership model is considered a reference for remuneration policies.

Thanks to a re-reading of the competitive environment and the new challenges that the Group is called on to face, the model was reviewed and updated in 2016 using a participatory method that involved all managers in identifying the new key skills. This process additionally involved a wide-ranging market benchmark and a detailed analysis of the strategic challenges.

The new model is based on 4 levels: I / us, today / tomorrow and involves 4 areas of final outcomes (each characterized by two distinctive skills): shaping the results, (energy and resolution, implementation), establishing a common ground (cooperation; influence), adding value (excellence and simplification; management of complexity) and constructing the future (innovation; valorising people).

The model is characterized by an exemplary style and an agile approach.

Each skill has been articulated in terms of distinctive behaviours for all the individual role (directors, managers, middle managers, managerial employees and employees) on the basis of a scale from 1 to 5, ensuring that the model represents the behavioural reference for the population in question.

In 2017 the new leadership model replaced the previous one in all human resources management processes, including the Performance Management process.

5 Balancing remuneration elements and remuneration components

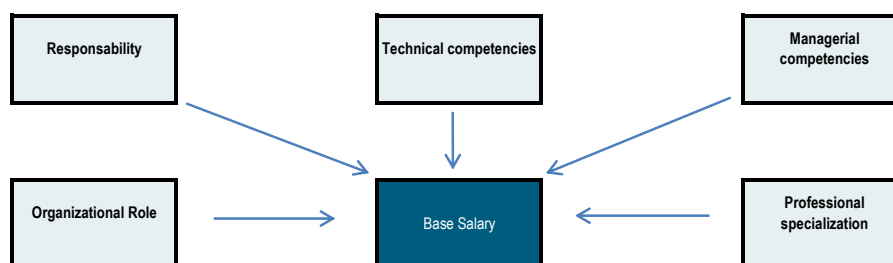
The structure of the remuneration package envisaged for the various offices is defined with a view to balancing the fixed and variable components, taking the specific risk profile of the company into account.

The fundamental components of remuneration for Hera Group Directors are:

- Fixed remuneration
- short-term variable remuneration
- Deferred variable remuneration for management retention;
- non-monetary benefits

5.01 Fixed remuneration

The fixed component of remuneration is usually determined by the professional specialisation and the organisational role along with related responsibilities. It is therefore a reflection of technical, professional and managerial skills.



For each manager, the reference remuneration level is established on the basis of the organizational position he or she holds, benchmarked with the selected foreign markets. These markets are drawn from the remuneration surveys the Group participates in, carried out by specialized companies in the sector. On the whole, the remuneration level used as a benchmark is in the medium band for the market (first quartile/median). These market references, combined with performance evaluation, form the basis of individual remuneration reviews.

5.02 Short-term variable remuneration - The Balanced Scorecard system

Recipients

The scope of the Balanced Scorecard system extends to include all Hera Spa and Group subsidiary company Directors and Executives. The scope includes 53 Directors and 102 Executives. A similar evaluation form is planned for the Executive Chairman and the CEO.

Incentive and objective definition process

The short-term incentive system includes an individual Balanced Scorecard for each of the recipients. Each BSC includes a series of objectives belonging to three evaluation areas:

- objective-oriented projects, defined according to the Group's Strategic Map;
- economic objectives of the individual Budget Units, evaluated through economic-financial type indicators;
- discretionary evaluation, based on the extent of the adoption of the types of behaviour set out in the leadership model adopted by the Group.

Each area is divided into a series of pre-set objectives, each with a specific performance indicator. The relative weight of each area under the scope of the individual BSC is different for Directors and Executives, and corresponds to the total of the weight of the individual objectives belonging to the same area.

Performance measurement

A target is defined for each objective. The amount of the reward to be paid to each recipient is determined according to whether the set targets are actually reached (result) and the specific weight of the individual objective.

The result of the evaluation carried out using the aforementioned individual Balanced Scorecard system is weighted through a company results profile, which takes into account the performance recorded by the Group with reference, for 2017, to four parameters:

- EBITDA
- Net Profit
- Net Financial Position (PFN)
- Customer Satisfaction Index (ICS)

The weighing percentage to be applied to each individual result is defined according to the performance profile achieved by the company within a range between 40% and 115%.

The maximum bonus, expressed in percentage terms of gross annual fixed remuneration of directors/managers, varies according to the results of the incentive system and the office held by the manager, specifically:

- directors: a variable payment equal to 28.8% of the total gross fixed fees [(28.8%) = maximum company's weight (115%) *maximum individual variable (25%)];
- managers: two different levels of maximum variable compensation, respectively equal to 19.6% [(19.6%) = maximum company's weight (115%) *maximum individual variable (17%)] and 25.3% = maximum company's weight (115%) *maximum individual variable (22%)] of the total gross fixed fees.

The table below illustrates the mechanism for measuring accrued bonuses:

Component	Description	Example calculation
A	Annual gross compensation (€)	100.000 euro
B	Target bonus (100% Ral)	25%
C	Target bonus (€) = A x B	25.000 euro
D	Individual objectives achieved (%)	90%
E	Corporate performance weighting factor (%)	106%
F	Amount of bonus granted (€) = C x D x E	23.850 euro

With regard to transactions of strategic importance of an exceptional nature, with significant effects on the results of the company, the Board of Directors, following the proposal of the Remuneration Committee, can award discretionary bonuses to executive directors and management with strategic responsibilities.

5.03 Deferred variable remuneration for management retention;

During the meeting held on 22 March 2016, the Board of Directors approved the implementation of a retention plan for a selected number of executives, taking into account the importance of their organizational position, the assessment of their performance in the development process and their age. Furthermore, the Board of Directors considered it appropriate to provide for an annual evaluation mechanism for accessing and renewing / non-renewing the allocation of the monetary plan.

The 2016 benefit matures in the years 2016 - 2017 - 2018 and is paid out in 2019. The value of the benefit is equal to 50% or 100% of the Ral in the three-year period, that is 17% or 33% of the Ral for the year.

The decision of the Board of Directors was affected by the assessment of a series of elements:

- from the moment Hera was founded, the Group has grown significantly in terms of company size, territorial presence and final results;

- from the point of view of the executive management, the Group's current composition is the result of carefully balancing between newly acquired skills coming from the market and specific skills already present.;
- currently the Group enjoys solid reputation and visibility on the market and consequently it is appropriate to direct retention measures tailored to those executives holding strategic roles, achieving high-level result and with high market risk.

The calculation model for the accrual of the annual benefit and the calculation model for determining the premium to be paid after the end of the three-year period are shown below.

Accrual of the annual benefit

$$\begin{array}{l}
 \text{Component year } n = \text{RAL year } n^* \times \frac{50\% \text{ o } 100\%}{3} \times \text{Level of Group results achieved} \times \text{Development process assessment parameter} \\
 \text{Component year } n+1 = \text{RAL year } n+1^* \times \frac{50\% \text{ o } 100\%}{3} \times \text{Level of Group results achieved} \times \text{Development process assessment parameter} \\
 \text{Component year } n+2 = \text{RAL year } n+2^* \times \frac{50\% \text{ o } 100\%}{3} \times \text{Level of Group results achieved} \times \text{Development process assessment parameter}
 \end{array}$$

Paying out the annual bonus n + 3

$$\text{Value of bonus} = \text{Component year } n + \text{Component year } n+1 + \text{Component year } n+2$$

5.04 Non-monetary benefits and social incentive plan

In line with best practices, they also receive D&O Liability insurance coverage against civil responsibility towards third parties as well as insurance coverage for professional and extra-professional accidental injury and death.

Furthermore, it provides for the assignment of a company car to be used by managers holding specific organizational positions.

In addition, beginning in 2017, an additional incentive plan was introduced in relation to the achievement of Group objectives, which provides for the payment of Welfare bonuses that can be spent on the services included in the company's welfare plan.

Benefits are paid out according to the level of achievement of the Group KPIs, criteria already used to assess the overall results of the Bsc system following a layout that, for each individual indicator, provides for a premium only in the case that the established target is surpassed.

The maximum value upon reaching 100% of the objectives included in the plan is equal to 6% of the individual theoretical variable and in details:

- Directors
a maximum social bonus equal to 6% of 25% of the total gross fixed fees (amounting to 1.5% of Ral);
- Managers

two different levels of maximum social bonus, respectively equal to 6% of 22% % of the total gross fixed fees (amounting to 1.3% of Ral) and 6% of 17% of the total gross fixed fees (amounting to 1% of Ral) .

In addition, consistently with the implementation of the Group welfare plan launched in 2016, all Group employees have been granted access to a Flexible Benefit plan providing for the assignment of a 360 Euros bonus in 2017.

Finally, with reference to all the Group's employees with non-managerial positions, the plan provides for possibly converting up to 50% of the business result bonus into goods and services included in the corporate welfare plan.

6 Remuneration of Directors and the General Operations Manager

6.01 Non-executive Directors

The following different types of directors can be found within the Board of Directors:

- Executive Directors holding specific offices to whom specific powers are delegated;
- non-executive Directors (hereinafter referred to as "Non-executive Directors").

The current breakdown of the Hera Spa Board of Directors is as follows:

- Executive Directors: the Chairman of the Board of Directors Tomaso Tommasi di Vignano and the CEO Stefano Venier;
- Non-executive Directors: the Vice Chairman of the Board of Directors Giovanni Basile, and Directors Francesca Fiore, Giorgia Gagliardi, Massimo Giusti, Sara Lorenzon, Stefano Manara, Danilo Manfredi, Alessandro Melcarne, Erwin P.W. Rauhe, Duccio Regoli, Federica Seganti, Marina Vignola and Giovanni Xilo.

With regard to Non-executive Directors, following their appointment, the Shareholders' Meeting on 27 April 2017 established that they would receive a gross annual payment of Euro 40,000, in addition to reimbursement of living expenses sustained while carrying out their office.

The Board of Directors, with regard to the offices held by Directors in Group companies, as well as in the HERA Group committees (Executive Committee, Remuneration Committee, Control and Risks Committee and Related Parties Transactions Committee) decided to award these Directors a total sum of Euro 20,000 gross per year.

The same Board of Directors decided, on 28 June 2017, to award the Vice Chairman a fixed annual sum of Euro 85,000 for the duration of his office, which includes the indemnity due as a director and any other fees for offices held in Group companies.

Note that, in line with best practices and the instructions in the Corporate Governance Code, there are no provisions for a variable component in the payment of Non-executive Directors.

In line with best practices, they also receive D&O Liability insurance coverage against civil responsibility towards third parties as well as insurance coverage for professional and extra-professional accidental injury and death.

6.02 Executive Directors and the General Operations Manager

On 28 June 2017, the Board of Directors resolved that the Chairman and CEO will be paid a fixed compensation in the amount of Euro 380,000 gross each for the entire length of their terms, taking effect 27 April 2017 and including all services/offices held in the Hera Group's subsidiary and associate companies as well.

The Chairman, CEO and General Manager come under the scope of the remuneration policies defined for the top management of the company, whose methodology is based, as stated previously, on the weighting methods for the positions, market comparisons and an incentive scheme based on the Balanced Scorecard system.

With reference to the variable component of the short-term remuneration policy, the Chairman and CEO were paid a variable compensation associated with the achievement of the Group's performance objectives for the 2017 financial year: they received for the year 2017 a bonus equal to 40% of the fixed remuneration for assigned target results according to their performance profile and in keeping with the over-performance criteria of the company's Bsc (Balanced scorecard) incentive system, which took into account the economic and financial results for 2017 (NFP, Ebitda and Net Result) and the results of the 2017 Customer satisfaction survey (Ics).

The degree of achievement of these objectives, likewise determines the rate of weighting that is applied to the achievement of individual results by directors and executives covered by the balanced scorecard system.

Within the scope of the executive management retention tools (at significant market risk), a deferred variable remuneration plan was introduced for the CEO, related to the achievement of the Group's economic and financial results in the 2016, 2017 and 2018 financial years.. The maximum economic value for the three-year period in question is 100% of the Ral with payments expected at the end of the 2018 financial year when the associated financial statements will be approved by the Shareholders' Meeting, provided that at that date he is still fully operative in the Group companies.

In addition, beginning in 2017, an additional incentive plan was introduced for the Executive Chairman and the CEO in relation to the achievement of Group objectives, which provides for the payment of Welfare bonuses that can be spent on the services included in the company's welfare plan, with a layout analogous to the layout outlined in paragraph 5.04.

The maximum value upon reaching 100% of the objectives included in the plan is equal to 6% of the individual theoretical variable and, more specifically, to 6% of 40% of gross fixed fees (amounting to 2.4% of total gross fixed fees).

With reference to the offices of Executive Chairman and CEO, the remuneration package composition is summarized below:

Position	Compensation	euros	Composition of the compensation package
Executive Chairman	Gross annual salary	380,000	<ul style="list-style-type: none"> ■ RAL - Gross Annual Salary ■ Max target short-term variable ■ Max target social incentive plan
	Maximum target RGA	562,400	
	Maximum target RDA	562,400	
	Maximum target RDA + Social incentive plan	571,520	
CEO	Gross annual salary	380,000	<ul style="list-style-type: none"> ■ RAL - Gross Annual Salary ■ Max target short-term variable ■ Max target deferred variable (annual part) ■ Max target social incentive plan
	Maximum target RGA	562,400	
	Maximum target RDA	687,800	
	Maximum target RDA + Social incentive plan	696,920	

a variable payment equal to 25% of the total gross fixed fees on reaching 100% of the targets is established for the General Operations Manager. Individual performance is subsequently weighted through a company results profile, which takes into account the performance recorded by the Group with reference to the current year. The weighting involves a maximum increase of individual results in the amount of 15%, thus generating a maximum variable compensation equal to 28.8% of the total gross fixed compensation.

In relation to non-monetary benefits, in addition to the insurance policies outlined previously in point 6.01, the company car is available for use.

Lastly, beginning in 2017, an additional incentive plan was introduced in relation to the achievement of Group objectives, which provides for the payment of Welfare bonuses that can be spent on the services included in the company's welfare plan, with a layout analogous to the layout outlined in paragraph 5.04.

The maximum value upon reaching 100% of the objectives included in the plan is equal to 6% of the individual theoretical variable and, more specifically, to 6% of 25% of gross fixed fees (amounting to 1.5% of Ral).

7 Compensation

7.01 Compensation for cases of resignation, lay-off or termination of the employment relationship

On the renewal of the BoD, during the 27 April 2017 Shareholders' meeting, a clause was introduced according to which if Executive Directors are removed from office (except for cases of just cause), they will be paid an amount, as compensation for damages, comprehensive of any other claim, equal to the sum they would have received as remuneration, pursuant to art. 2389 of the civil code, in the amount of 18 monthly salaries.

7.02 Claw-back clause

On the renewal of the BoD, during the 27 April 2017 Shareholders' meeting, a claw-back clause was introduced providing for ex-post changes to the remuneration system for executive managers.

According to this clause, executive managers are required to return variable components of the remuneration received (or to retain specific amounts subject to deferment) calculated on the basis of data that subsequently turned out to be incorrect, with effect from the date of their appointment and for the entire length of their term; the return request can be initiated, once the associated investigations have been carried out, within three years from the payment, with reference to the year in which the case occurred.

Section II

Introduction

This second section of the report outlines the items that make up the remuneration of members of the administrative and control bodies, as well as General Manager, with the aim of highlighting the consistency with the General Policy described in Section I.

With reference to the policies for directors' remuneration, it should be noted that, with respect to the positions held by the directors (excluding the Chairman, Chief Executive Officer and Vice Chairman) in the Group companies, in the Remuneration and Risks and Controls Committees well as the Executive Committee, the directors involved are awarded a total salary of Euro 20,000 gross per year to be added to the remuneration established by the Shareholders' Meeting of Euro 40,000.

The value of the bonus received in 2017 by each figure is also indicated, in relation to the degree of achievement of the targets set in the previous year.

1 Description of the compensation paid to Directors and General Managers

This section contains the details of payments made during 2017, with reference, as far as the variable part is concerned, to the accrual criterion.

The following aspects are highlighted:

Executive Chairman

The fixed compensation for Mr. Tomaso Tommasi di Vignano is composed exclusively of wages associated with his relationship as director. The aforementioned compensations also include all services and offices held in the Hera Group's subsidiary and associate companies. Note that during 2017 he received a bonus with regard to the results of the previous year, equal to Euro 120,750, following the achievement of an overall performance index of 115%.

Ceo

The fixed compensation paid to Mr. Stefano Venier is composed exclusively of gross annual remuneration as a Group executive and also includes all services/offices held in the Hera Group's subsidiary and associate companies. Note that during 2017 he received a bonus with regard to the results of the previous year, equal to Euro120,750, following the achievement of an overall performance index of 115%.

Vice Chairman

Mr. Giovanni Basile received a fixed payment of Euro 85,000 as the fixed annual gross salary for the office of Vice Chairman.

Non-executive Directors

For the office of non-Executive Director of the company Mara Bernardini, Forte Clò, Giorgia Gagliardi, Massimo Giusti, Riccardo Illy, Stefano Manara, Luca Mandrioli, Danilo Manfredi, Cesare Pillon, Tiziana Primori e Bruno Tani received a fixed payment for the office of Director and a further payment for their involvement in Committees or in Boards of Directors of subsidiaries or associated companies, as set out in the Group remuneration policy.

Subsequently, on 27 April 2017, following the renewal of the entire administrative body and their appointment to the office of non-Executive Directors, Francesca Fiore, Giorgia Gagliardi, Massimo Giusti, Sara Lorenzon, Aldo Luciano (outgoing beginning 5 October 2017 and substituted through cooptation by Alessandro Melcarne on 8 November 2017), Stefano Manara, Danilo Manfredi and Erwin P.W. Rauhe, Duccio Regoli, Federica Seganti, Marina Vignola and Giovanni Xilo received a fixed payment for the office of Director and a further payment taking effect 1 May 2017 for their involvement in Committees or in Boards of Directors of subsidiaries or associated companies, as set out in the Group remuneration policy.

General Manager

The General Manager of Operations, Mr. Roberto Barilli, received compensation of Euro342,262 in the form of gross annual remuneration. Note that during 2017 he received a bonus with regard to the results of the previous year, equal to Euro 97,872, following the achievement of an individual performance index of 100% and a Group performance index of 115%.

He additionally received a non recurring fee of 20,000, over the course of 2017.

Statutory Auditors

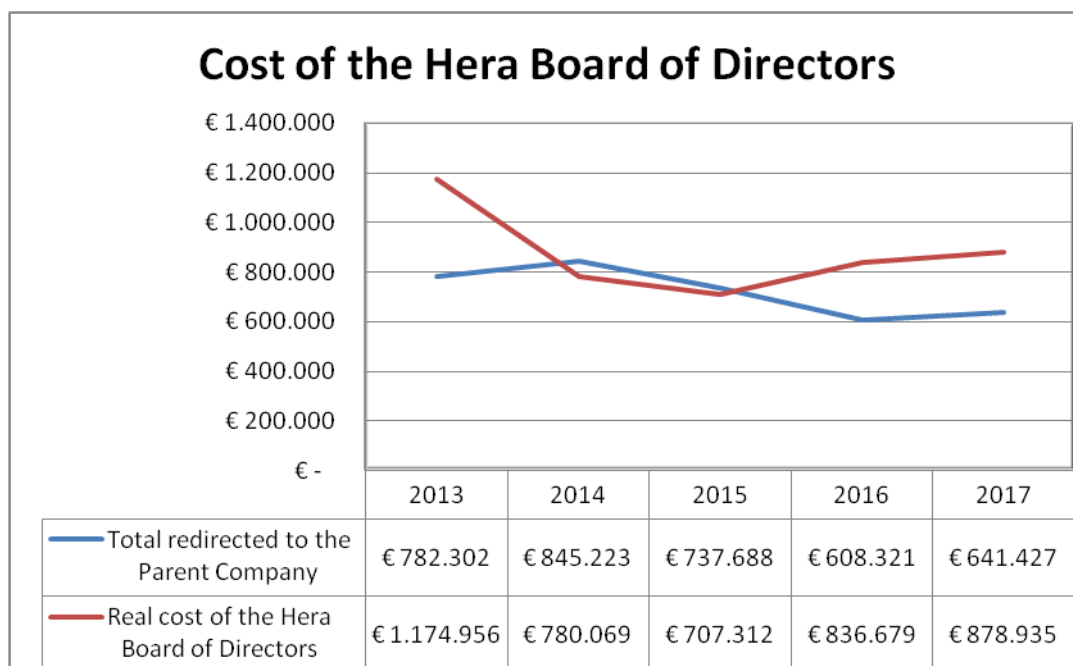
The members of the Board of Statutory Auditors received fixed compensation for the office of Auditor determined by the Shareholders' Meeting.

Compensation received in Group companies

Remuneration for the Executive Directors, Directors, General Manager and Managers for positions held within Group company structures and/or committees, are redirected in their entirety to Hera Spa. The total redirected to the Parent Company for the year 2017 was approximately 641,427 Euros.

The cost of the Board of Directors of Hera Spa for the year 2017 was Euro 878,935, net of remuneration amounting to Euro 641,427 (for a gross total amount of Euro 1,520,362) received by Hera for the participation of directors / managers in administrative bodies of its affiliates.

The change in the real cost of the Board of Directors for the year 2017 is due to an increase of the number of members of the administrative body, reaching 15, allowing minority shareholders to appoint an additional director.



Bologna, 27 March 2018

The Chairman of the Board of Directors:
(TomasoTommasi di Vignano)

TABLE 1: Compensation paid to members of administrative and control bodies, General Managers and other management with strategic responsibilities.**Administrative body**

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Tomaso Tommasi di Vignano	Executive Chairman	1 Jan 2017 31 Dec 2017	Annual Financial Report approval as of 31 December 2016 31 December 19									
I) Compensation in the company preparing the financial statements				370,333		120,750		8,186	1,661	500,930		
(II) Compensation from subsidiaries and associated companies												
(III) Total				370,333		120,750		8,186	1,661	500,930		
Notes												

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Stefano Venier	CEO	1 Jan 2017 31 Dec 2017	Annual Financial Report approval as of 31 December 2016 31 December 19									
I) Compensation in the company preparing the financial statements				371,537		120,750		16,782	3,166	512,235		
(II) Compensation from subsidiaries and associated companies												
(III) Total				371,537		120,750		16,782	3,166	512,235		
Notes												

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Giovanni Basile	Vice Chairman	1 Jan 2017 31 Dec 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				85,000				4,026		89,026		
(II) Compensation from subsidiaries and associated companies												
(III) Total				85,000				4,026		89,026		
Notes												

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Francesca Fiore	Director	27 Apr 2017 31 Dec 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				27,111	13,333			266		40,710		
(II) Compensation from subsidiaries and associated companies												
(III) Total				27,111	13,333			266		40,710		
Notes					I) as a member of the remuneration Committee beginning 1 May 2017							

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Giorgia Gagliardi	Director	1 Jan 2017 31 Dec 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				40,000				235		40,235		
(II) Compensation from subsidiaries and associated companies				20,000						20,000		
(III) Total				60,000				235		60,235		
Notes				II) for offices held in Group companies								

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Massimo Giusti	Director	1 Jan 2017 31 Dec 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				40,000	20,000			496		60,496		
(II) Compensation from subsidiaries and associated companies												
(III) Total				40,000	20,000			496		60,496		
Notes				I) as a member of the Internal Control Committee until 27 April 2017, and subsequently as a member of the Remuneration Committee.								

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Sara Lorenzon	Director	27 April 2017 31 December 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				27,111	13,333			160		40,604		
(II) Compensation from subsidiaries and associated companies												
(III) Total				27,111	13,333			160		40,604		
Notes					I) as a member of the Control and Risk Committee beginning 1 May 2017							

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Stefano Manara	Director	1 Jan 2017 31 Dec 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				40,000	20,000			473		60,473		
(II) Compensation from subsidiaries and associated companies												
(III) Total				40,000	20,000			473		60,473		
Notes					I) as a member of the Internal Control Committee until 27 April 2017, and subsequently as a member of the Remuneration Committee.							

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Danilo Manfredi	Director	1 Jan 2017 31 Dec 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				40,000	6,444			327		46,771		
(II) Compensation from subsidiaries and associated companies				13,556						13,556		
(III) Total				53,556	6,444			327		60,327		
Notes				II) for offices held in Group companies beginning 27 April 2017	I) as a member of the Control and Risk Committee until 27 April 2017							

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Alessandro Melcarne	Director	08 Nov 17 31 Dec 17	Next shareholders' meeting									
I) Compensation in the company preparing the financial statements				5,889				35		5,924		
(II) Compensation from subsidiaries and associated companies				2,944						2,944		
(III) Total				8,833				35		8,868		
Notes				II) for offices held in Group companies beginning 08 November 2017								

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Erwin P.W. Rauhe	Director	27 April 2017 31 December 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				27,111				681		27,792		
(II) Compensation from subsidiaries and associated companies				13,333						13,333		
(III) Total				40,444				681		41,125		
Notes				II) for offices held in Group companies beginning 01 May 2017								

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Duccio Regoli	Director	27 April 2017 31 December 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				27,111	13,333			618		41,062		
(II) Compensation from subsidiaries and associated companies												
(III) Total				27,111	13,333			618		41,062		
Notes				I) as a member of the Control and Risk Committee beginning 1 May 2017								

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Federica Seganti	Director	27 April 2017 31 December 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				27,111	13,333			326		40,770		
(II) Compensation from subsidiaries and associated companies												
(III) Total				27,111	13,333			326		40,770		
Notes					I) as a member of the Executive Committee beginning 01 May 2017							

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Marina Vignola	Director	27 April 2017 31 December 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				27,111				227		27,338		
(II) Compensation from subsidiaries and associated companies				13,333						13,333		
(III) Total				40,444				227		40,671		
Notes					II) for offices held in Group companies beginning 01 May 2017							

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Giovanni Xilo	Director	27 April 2017 31 December 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				27,111				545		27,656		
(II) Compensation from subsidiaries and associated companies				13,333						13,333		
(III) Total				40,444				545		40,989		
Notes				II) for offices held in Group companies beginning 01 May 2017								

Outgoing directors

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Mara Bernardini	Director	1 January 2017 27 April 2017	Annual Financial Report approval as of 31 December 2016 31 December 2016									
I) Compensation in the company preparing the financial statements				13,000	6,500			335		19,835		
(II) Compensation from subsidiaries and associated companies												
(III) Total				13,000	6,500			335		19,835		
Notes					I) as a member of the Control and Risk Committee until 27 April 2017							

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Forte Clò	Director	1 January 2017 27 April 2017	Annual Financial Report approval as of 31 December 2016									
I) Compensation in the company preparing the financial statements				13,000				884		13,884		
(II) Compensation from subsidiaries and associated companies				6,500						6,500		
(III) Total				19,500				884		20,384		
Notes					II) for offices held in Group companies until 27 April 2017							
Name and	Office	Period	Expiry of	Fixed compensation	Compensation for	Variable non-equity		Non-	Other	Total	Fair value	Retirement or

surname		during which office was held	term of office	participation on committees	compensation		monetary benefits	compensation		of equity compensation	employment termination indemnity
					Bonuses and other incentives	Profit sharing					
Riccardo Illy	Director	1 January 2017 27 April 2017	Annual Financial Report approval as of 31 December 2016								
I) Compensation in the company preparing the financial statements				13,000	6,500				19,500		
(II) Compensation from subsidiaries and associated companies											
(III) Total				13,000	6,500				19,500		
Notes				I) as a member of the Executive Control until 27 April 2017							

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Tiziana Primori	Director	1 January 2017 27 April 2017	Annual Financial Report approval as of 31 December 2016									
I) Compensation in the company preparing the financial statements				13,000				859		13,859		
(II) Compensation from subsidiaries and associated companies				6,500						6,500		
(III) Total				19,500				859		20,359		
Notes				II) for offices held in Group companies until 27 April 2017								

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Luca Mandrioli	Director	1 January 2017 27 April 2017	Annual Financial Report approval as of 31 December 2016									
I) Compensation in the company preparing the financial statements				13,000	6,500			184		19,684		
(II) Compensation from subsidiaries and associated companies												
(III) Total				13,000	6,500			184		19,684		
Notes					I) as a member of the Control and Risk Committee until 27 April 2017							
Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Cesare Pillon	Director	1 January 2017 27 April 2017	Annual Financial Report approval as of 31 December 2016									
I) Compensation in the company preparing the financial statements				13,000	6,500			-1,532		17,968		
(II) Compensation from subsidiaries and associated companies												
(III) Total				13,000	6,500			-1,532		17,968		
Notes					I) as a member of the Control and Risk Committee until 27 April 2017							

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Bruno Tani	Director	1 January 2017 27 April 2017	Annual Financial Report approval as of 31 December 2016									
I) Compensation in the company preparing the financial statements				13,000				580		13,580		
(II) Compensation from subsidiaries and associated companies				6,500						6,500		
(III) Total				19,500				580		20,080		
Notes				II) for offices held in Group companies until 27 April 2017								

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Aldo Luciano	Director	27 April 2017 05 October 2017										
I) Compensation in the company preparing the financial statements				17,649				635		18,284		
(II) Compensation from subsidiaries and associated companies				8,602						8,602		
(III) Total				26,251				635		26,886		
Notes				II) for offices held in Group companies until 05 October 2017								

Control body

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Myriam Amato	Chairman of the Board of Statutory Auditors	27 April 2017 31 December 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				81,863				133		81,996		
(II) Compensation from subsidiaries and associated companies				35,797						35,797		
(III) Total				117,660				133		117,793		
Notes												

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Marianna Girolomini	Standing Auditor	1 Jan 2017 31 Dec 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				80,000				390		80,390		
(II) Compensation from subsidiaries and associated companies				94,345						94,345		
(III) Total				174,345				390		174,735		
Notes												

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Antonio Gaiani	Standing Auditor	1 Jan 2017 31 Dec 2017	Annual Financial Report approval as of 31 December 2019									
I) Compensation in the company preparing the financial statements				80,000				399		80,399		
(II) Compensation from subsidiaries and associated companies				76,600						76,600		
(III) Total				146,600				399		146,999		
Notes												

Members of the Board of Statutory Auditors no longer in office

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Sergio Santi	Chairman of the Board of Statutory Auditors	1 January 2017 - 27 April 2017	Annual Financial Report approval as of 31 December 2016 31 December 2016									
I) Compensation in the company preparing the financial statements				39,000				3,289		42,289		
(II) Compensation from subsidiaries and associated companies				34,618						34,618		
(III) Total				73,618				3,289		76,907		
Notes												

General Managers

Name and surname	Office	Period during which office was held	Expiry of term of office	Fixed compensation	Compensation for participation on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Retirement or employment termination indemnity
						Bonuses and other incentives	Profit sharing					
Roberto Barilli	General Manager of Operations	1 Jan 2017 - 31 Dec 2017										
I) Compensation in the company preparing the financial statements				341,326		117,872		17,251	3,484	479,933		
(II) Compensation from subsidiaries and associated companies												
(III) Total				341,326		117,872		17,251	3,484	479,933		
Notes						Including a non recurring fee 20,000						

Table 3B: Monetary incentive plans for members of the administrative body, General Managers and other management with strategic responsibilities.

Name and surname	Office	Plan	Bonus for the year			Bonus for previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferment Period	No longer to be paid	Payable / Paid	Still deferred	
Tomaso Tommasi di Vignano	Executive Chairman	Balanced Scorecard system (related approval date)	120,750						
		Plan B (related approval date)							
		Plan C (related approval date)							
Payments from subsidiaries and associated companies		Plan A (related approval date)							
		Plan B (related approval date)							
Total									

Name and surname	Office	Plan	Bonus for the year			Bonus for previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferment Period	No longer to be paid	Payable / Paid	Still deferred	
Stefano Venier	CEO	Balanced Scorecard system (related approval date)	120,750						
		Plan B (related approval date)							
		Plan C (related approval date)							
Payments from subsidiaries and associated companies		Plan A (related approval date)							
		Plan B (related approval date)							
Total									

Name and surname	Office	Plan	Bonus for the year			Bonus for previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferment Period	No longer to be paid	Payable / Paid	Still deferred	
Roberto Barilli	General Manager of Operations	Balanced Scorecard system (related approval date)	97,872						
		Plan B (related approval date)							
		Plan C (related approval date)							
Payments from subsidiaries and associated companies		Plan A (related approval date)							
		Plan B (related approval date)							
Total									

Name and surname	Offices held in Hera Spa	Subsidiaries	No. shares held at the end of the preceding financial year	No. shares purchased	No. shares purchased	No. shares held at the end of the preceding financial year
Tomaso Tommasi di Vignano (1)	Executive Chairman	Hera Spa	31,764	-	-	31,764
Stefano Venier	CEO	Hera Spa	-	-	-	-
Giovanni Basile	Vice Chairman	Hera Spa	-	-	-	-
Francesca Fiore	Director	Hera Spa	-	-	-	-
Giorgia Gagliardi	Director	Hera Spa	-	-	-	-
Massimo Giusti	Director	Hera Spa	-	-	-	-
Sara Lorenzon	Director	Hera Spa	-	-	-	-
Stefano Manara	Director	Hera Spa	-	-	-	-
Daniilo Manfredi	Director	Hera Spa	-	-	-	-
Alessandro Melcarne (beginning 8 November.2017)	Director	Hera Spa	-	-	-	-
Erwin P.W. Rauhe	Director	Hera Spa	-	-	-	-
Duccio Regoli	Director	Hera Spa	-	-	-	-
Federica Seganti	Director	Hera Spa	-	-	-	-
Marina Vignola	Director	Hera Spa	-	-	-	-
Giovanni Xilo	Director	Hera Spa	-	-	-	-
Mara Bernardini (in office until 27 April 2017)	Director	Hera Spa	40,000	-	-	40,000
Forte Clò (in office until 27 April 2017)	Director	Hera Spa	-	-	-	-
Riccardo Illy (in office until 27 April 2017)	Director	Hera Spa	-	-	-	-
Luca Mandrioli (in office until 27 April 2017)	Director	Hera Spa	-	-	-	-

Cesare Pillon (in office until 27 April 2017)	Director	Hera Spa	,-		,-	,-
Tiziana Primori (in office until 27 April 2017)	Director	Hera Spa	,-	,-	,-	,-
Bruno Tani (in office until 27 April 2017)	Director	Hera Spa	170,000	,-	,-	170,000
Aldo Luciano (from 27 April 2017 to 05 October 2017)	Director	Hera Spa	,-	,-	,-	,-
Myriam Amato	Chairman of the Board of Statutory Auditors	Hera Spa	,-	,-	,-	,-
Antonio Gaiani	Member of the Board of Statutory Auditors	Hera Spa	,-	,-	,-	,-
Marianna Girolomini	Member of the Board of Statutory Auditors	Hera Spa	,-	,-	,-	,-
Sergio Santi (2) (in office until 27 April 2017)	Chairman of the Board of Statutory Auditors	Hera Spa	40,752	,-	,-	40,752
Roberto Barilli	General Manager of Operations	Hera Spa	,-	,-	,-	,-

(1) indirect possession through spouse (2) of the 40,752 shares held, 1,652 of which are held through subsidiaries, trust companies or third parties.

Resolution Proposal

Dear Shareholders,

the Shareholders' Meeting is called on to vote on "Section I" of the remuneration report, which refers to the remuneration policies of your company and the procedures employed to adopt and implement this policy. This report has been prepared in compliance with the provisions of current laws and regulations and the Code of Self-discipline of listed companies, which Hera adheres to

If you agree with the content of this report, we ask you to vote in favour of Section I of the remuneration report by adopting the following resolution:

"Hera Spa Shareholders' meeting, in compliance with the regulation of Art. 123-ter of the Tuf, as well as Art. 84-quater of the Consob Issuers Regulations:

- having acknowledged the policies concerning remuneration adopted by the Group;
- having read the first section of the report on remuneration;

resolves

to approve the first section of Hera Group "report on remuneration"