

**HERA S.P.A.**

**Registered Office in Bologna at V.le Carlo Berti Pichat 2/4**

**Share capital Euro 1,489,538,745.00**

**Registered with the Bologna Register of Companies**

**Registration number 04245520376**

***DIRECTORS' REPORT***

***ITEM 1 ON THE AGENDA***

***EXTRAORDINARY PART***

*of the Extraordinary and Ordinary Shareholders' Meeting of HERA S.P.A.*

*called in a single call on 30 April 2024 at 10 a.m.*

Dear Shareholders,

The Board of Directors of HERA S.p.A., has asked you to attend the single call of this Extraordinary and Ordinary Shareholders' Meeting at the Company's Head Office - *Viale Berti Pichat 2/4, Bologna* - on 30 April 2024 at 10.00am to discuss and decide on the items on the following:

agenda

**Extraordinary Part of the Shareholders' Meeting**

1. Amendment of Article 23 of the Articles of Association: related and consequent resolutions.

**Ordinary Part of the Shareholders' Meeting**

1. Financial statements as at 31 December 2023 of Hera S.p.A.: related and consequent resolutions. Presentation of the consolidated financial statements as at 31 December 2023 Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors.

Presentation of the Sustainability Report – the Non-Financial Consolidated Statement prepared pursuant to Legislative Decree no. 254/2016.

2. Proposed allocation of profit for the period: related and consequent resolutions.
3. Report on the remuneration policy and fees paid: resolutions relating to Section I – Remuneration policy.
4. Report on the remuneration policy and fees paid: resolutions relating to Section II – Fees paid.
5. Appointment of a member of the Board of Directors.
6. Appointment of a member of the Board of Directors who will assume the role of Vice Chairman.
7. Renewal of the authorisation to purchase treasury shares and disposal procedure thereof: related and consequent resolutions.

First item on the agenda of Extraordinary Part.

**Amendment of Article 23 of the Articles of Association: related and consequent resolutions.**

The Board of Directors of HERA S.p.A. (hereinafter “**HERA**” or the “**Company**”), has invited you to attend this Extraordinary Shareholders' Meeting to submit to your attention the proposed resolution concerning the amendment of article 23 of the Articles of Association (hereinafter “**Articles of Association**” or “**Articles**”).

This report is prepared in accordance with the provisions of article 72 of the Regulations adopted pursuant to Consob Resolution no. 11971 of 14 May 1999 (hereinafter “**Issuers' Regulations**”) and Annex 3A, Schedule 3, attached to the Issuers' Regulations.

It should be noted that the changes being proposed concern paragraph 23.4 of the Articles of Association, concerning matters falling under the exclusive competence of the Board of Directors, with particular reference to point iii) concerning the issuance of sureties, pledges and/or other collateral, currently envisaged for the administrative body for a value exceeding Euro 500,000. These are, in particular:

- guarantees and parent company guarantees required for the purchase of raw materials, transport and storage;
- guarantees and parent company guarantees related to energy sales;
- guarantees related to waste management activities, required in particular by public administrations according to sector regulations.

In this regard, it should be recalled that the aforementioned limit had been included in HERA S.p.A.'s Articles of Association at the time of its inception in 2002, when the Company was considerably smaller in size and turnover.

Therefore, it is deemed appropriate to update this limit, adjusting it to the Company's current structure, taking into account (i) its constant trend of growth and territorial expansion, (ii) the significant size reached to date by the HERA Group and (iii) the parameters adopted by the main competitors for the same type of operations.

In light of the foregoing, we therefore submit for the Shareholders' Meeting's approval the amendments to Article 23.4 of the Articles of Association, aimed at increasing the limit above which the Board of Directors has exclusive jurisdiction over resolutions pertaining to the issuance of sureties, pledges and/or other collateral from Euro 500 thousand to Euro 25 million.

The following synoptic table compares the article of the Articles of Association in question, in the current and the proposed texts.

CURRENT TEXT	NEW TEXT
ARTICLE 23 EXERCISE OF POWERS	ARTICLE 23 EXERCISE OF POWERS
23.1 The Board has the broadest powers for the ordinary and extraordinary management of the company, without limitation, with the power to perform all acts deemed necessary or	23.1 The Board has the broadest powers for the ordinary and extraordinary management of the company, without limitation, with the power to perform all acts deemed necessary or

CURRENT TEXT	NEW TEXT
appropriate for the achievement of the corporate purposes, excluding only those that are peremptorily reserved by law or by these Articles of Association to the Shareholders' Meeting.	appropriate for the achievement of the corporate purposes, excluding only those that are peremptorily reserved by law or by these Articles of Association to the Shareholders' Meeting.
23.2 The Board may delegate part of its attributions and powers, including the use of the corporate signature, to one or more of its members, with the title of Managing Director; it may also assign special tasks and functions of a technical-administrative nature to one or more of its members, as well as avail itself of their special advice. In this case, the Board of Directors may resolve on special fees and remuneration, both at the time of the appointment and thereafter, after consulting the Board of Statutory Auditors in all cases; all pursuant to Article 2389 of the Civil Code. The Board of Directors may appoint the Group Manager, special proxies, proxies in general for specific acts or categories of acts, determining their powers and remuneration.	23.2 The Board may delegate part of its attributions and powers, including the use of the corporate signature, to one or more of its members, with the title of Managing Director; it may also assign special tasks and functions of a technical-administrative nature to one or more of its members, as well as avail itself of their special advice. In this case, the Board of Directors may resolve on special fees and remuneration, both at the time of the appointment and thereafter, after consulting the Board of Statutory Auditors in all cases; all pursuant to Article 2389 of the Civil Code. The Board of Directors may appoint the Group Manager, special proxies, proxies in general for specific acts or categories of acts, determining their powers and remuneration.
23.3 The Board of Directors may also appoint an Executive Committee and establish its composition and powers. The Executive Committee shall be convened and deliberate in the same manner as the Board of Directors, where applicable.	23.3 The Board of Directors may also appoint an Executive Committee and establish its composition and powers. The Executive Committee shall be convened and deliberate in the same manner as the Board of Directors, where applicable.
23.4 In any event, in addition to the resolutions reserved to it by law pursuant to Article 2381, paragraph 4 of the Italian Civil Code and those for which a qualified majority is required pursuant to Article 21, the Board of Directors shall be exclusively competent to pass resolutions on the following matters: (i) acquisition and disposal of participations with a value exceeding EUR 500,000 (five hundred thousand); (ii) purchase and/or sale of real	23.4 In any event, in addition to the resolutions reserved to it by law pursuant to Article 2381, paragraph 4 of the Italian Civil Code and those for which a qualified majority is required pursuant to Article 21, the Board of Directors shall be exclusively competent to pass resolutions on the following matters: (i) acquisition and disposal of participations with a value exceeding EUR 500,000 (five hundred thousand); (ii) purchase and/or sale of real

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<p>estate with a value in excess of EUR 500,000 (five hundred thousand);</p> <p>(iii) the granting of sureties, pledges and/or other collateral in excess of EUR 500,000 (five hundred thousand);</p> <p>(iv) purchase and/or sale of companies and/or business units;</p> <p>(v) Appointment of directors of subsidiaries and/or investee companies;</p> <p>(vi) participation in tenders and/or public procedures involving the assumption of contractual obligations in excess of EUR 25,000,000 (twenty-five million).</p>	<p>estate with a value in excess of EUR 500,000 (five hundred thousand);</p> <p>(iii) issuance of sureties, pledges and/or other collateral of a value exceeding EUR <b>25,000,000 (twenty-five million)</b> <del>500,000 (five hundred thousand)</del>;</p> <p>(iv) purchase and/or sale of companies and/or business units;</p> <p>(v) Appointment of directors of subsidiaries and/or investee companies;</p> <p>(vi) participation in tenders and/or public procedures involving the assumption of contractual obligations in excess of EUR 25,000,000 (twenty-five million).</p>
<p>23.5 As a matter of urgency, the Chairman of the Board of Directors and the Chief Executive Officer may jointly take all resolutions reserved to the Board of Directors, notifying the Board of Directors thereof in a timely manner.</p>	<p>23.5 As a matter of urgency, the Chairman of the Board of Directors and the Chief Executive Officer may jointly take all resolutions reserved to the Board of Directors, notifying the Board of Directors thereof in a timely manner.</p>
<p>23.6 The directors report to the Board of Statutory Auditors promptly and, in any case, at least on a quarterly basis, usually at the meeting of the Board of Directors or also directly by means of a written note sent to the Chairman of the Board of Statutory Auditors on the activities performed and on the most significant economic, financial and equity transactions carried out by the Company or its subsidiaries. In particular, the directors report on transactions in which they have an interest, on their own behalf or on behalf of third parties, or which are influenced by the person exercising management and coordination activities.</p>	<p>23.6 The directors report to the Board of Statutory Auditors promptly and, in any case, at least on a quarterly basis, usually at the meeting of the Board of Directors or also directly by means of a written note sent to the Chairman of the Board of Statutory Auditors on the activities performed and on the most significant economic, financial and equity transactions carried out by the Company or its subsidiaries. In particular, the directors report on transactions in which they have an interest, on their own behalf or on behalf of third parties, or which are influenced by the person exercising management and coordination activities.</p>
<p>23.7 Pursuant to Article 2391 of the Italian Civil Code, the director must inform the other directors and the Board of Statutory Auditors of any interest he or she may have, on his or</p>	<p>23.7 Pursuant to Article 2391 of the Italian Civil Code, the director must inform the other directors and the Board of Statutory Auditors of any interest he or she may have, on his or</p>

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her own behalf or on behalf of third parties, in a given company transaction, specifying its nature, terms, origin and scope; if he or she is a chief executive officer, he or she must abstain from carrying out the transaction, informing the board of directors thereof.	her own behalf or on behalf of third parties, in a given company transaction, specifying its nature, terms, origin and scope; if he or she is a chief executive officer, he or she must abstain from carrying out the transaction, informing the board of directors thereof.

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### Resolution proposal

Given the above, the Board of Directors invites you to pass the following resolutions:

*“Extraordinary Shareholders' Meeting of HERA S.p.A.:*

- *having heard the Chairman's presentation;*
- *having acknowledged the report of the Board of Directors and the proposal made therein;*

***hereby resolves***

*(i) to amend article 23 of the Articles of Association as indicated by the text hereunder, with a comparison of the proposed amendments*

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(ii) *to confer all-encompassing powers to the Chairman to arrange, even through representatives if necessary, whatever may be required, necessary or useful to pass the above resolution, including the authority to:*

- *sign and publish any document, deed and/or declaration that may be required or necessary*



*for this purpose, including any notice that may be required by current regulations, including applicable regulations;*

- *more generally to arrange anything that may be required, necessary and useful for the passing of the above resolution, making any non-substantial changes that may be requested by the competent authorities, above all for registration with the Register of Companies”.*

Bologna, 26 March 2024

***The Executive Chairman of the Board of Directors***  
(Cristian Fabbri)