

Report on the Remuneration  
policy for 2025 and  
compensation paid in 2024

# RR/24



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## EXECUTIVE SUMMARY

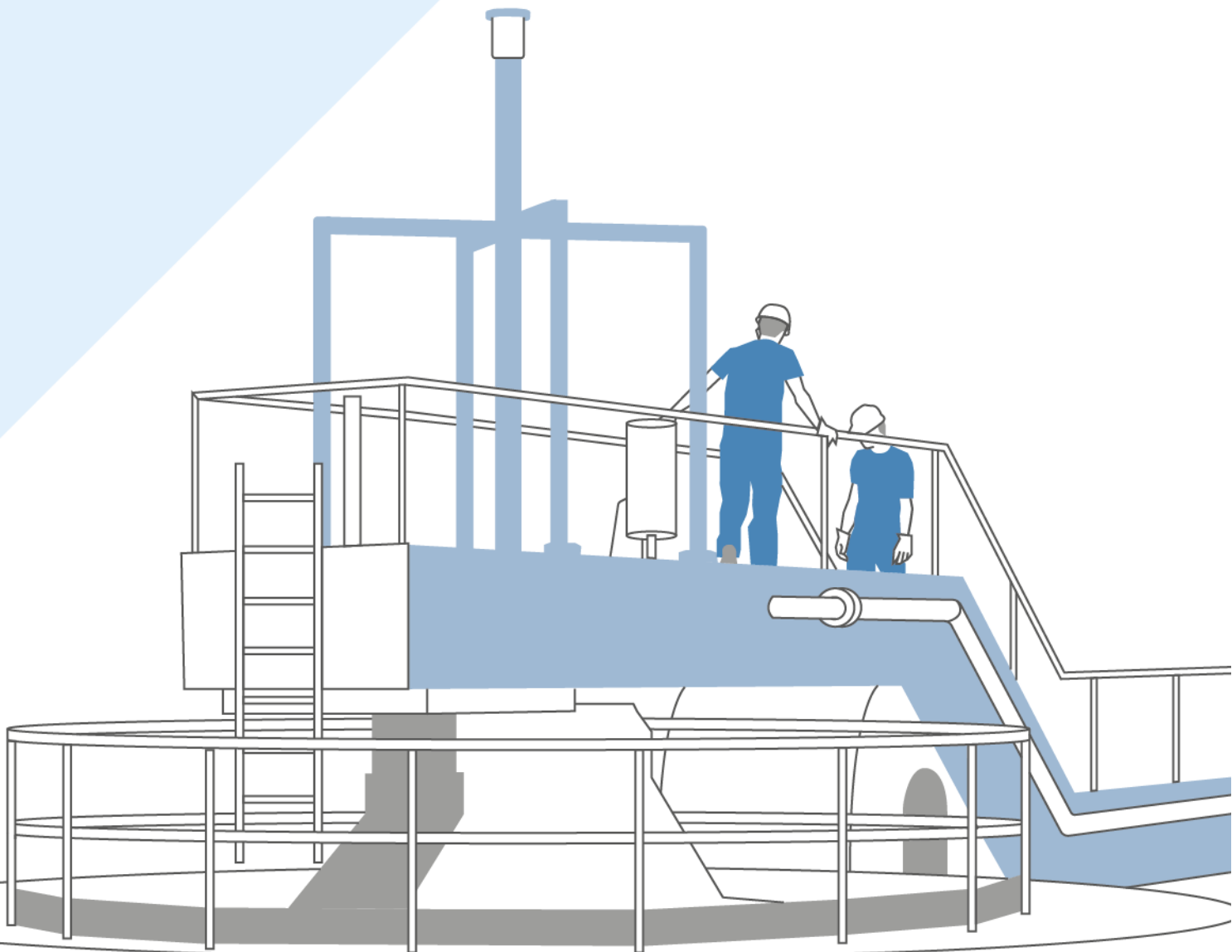
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# REPORT ON THE REMUNERATION POLICY FOR 2025 AND COMPENSATION PAID IN 2024



## EXECUTIVE SUMMARY

### I. Aims, principles and governance of the Hera Group remuneration policy

#### Aims and principles

The Remuneration Policy adopted by the Hera Group is an indispensable tool to support the Group's medium and long-term strategies, conceived as a factor that contributes to improving corporate performance and creating sustainable value over time for stakeholders. The incentive capacity of the remuneration systems, in particular, is ensured in line with the Group's strategic objectives, with particular attention to sustainable development criteria.

The Company has adopted a system of overall valorisation of its resources (total reward), based on development actions divided into four dimensions: role (job rotation, job enlargement, job enrichment, etc.), soft actions (coaching, mentorship, counselling, etc.), distinctive training (EMBA, professional masters, managerial paths, etc.) and compensation.

The Group's remuneration policy also reflects its commitment to achieving gender equality: on the one hand, the Group constantly monitors any unjustified differences in treatment and promptly remedies them; on the other, it periodically reviews its reward system to identify any improvements aimed at ensuring the real application of gender equality in people development systems. As proof of this effective action, in 2024 Hera Spa confirmed its maintenance of the certification for Gender Equality in application of the UNI/PDR 125:2022 scheme.

Furthermore, the remuneration policy adopted is strictly connected to the achievement of ESG objectives, as set out in the Group's sustainability report, with particular reference to the shared value Ebitda, introduced as a parameter/objective in the Group's incentive plans: this indicator derives mainly from activities and projects that respond to the calls to action of the 2030 Global Agenda, structured on three drivers, in relation to the following specific purposes:

- Environment: activities aimed at "regenerating resources and closing the circle". Sustainable water resource management, transition to a circular economy, air and soil protection are the main areas of impact of this driver.
- Energy: activities aimed at "achieving carbon neutrality". Energy transition and use of renewable sources, as well as promotion of energy efficiency, are the areas of impact of this driver.
- Local areas: activities aimed at "enabling resilience and innovating". Innovation and digitalization of processes, economic development and social inclusion are the two areas of impact of this driver.

Lastly, the policy has been defined in such a way as to align the interests of management (understood as the Executive Directors, as well as other employees with managerial qualifications) – and, more generally, of personnel – with those of shareholders, pursuing the priority objective of creating the sustainable success of the Company in the medium-long term, by consolidating the link between remuneration and performance, both on the individual and Group level.



The remuneration policy adopted by the Group is, in particular, defined in order to guarantee the following objectives:

- increased value for shareholders;
- achieving sustainable and stable success in the short and medium-long term;
- attracting, engaging and motivating people who hold positions with strategic responsibilities for governance and business;
- promoting the corporate mission and values, including in terms of sustainability and equity, dedicating special attention to ESG issues, in line with the Hera Group's sustainability reporting.

### II. Remuneration components

The structure of the remuneration package, foreseen for the various roles, functions and positions, has been defined with a view to balancing the fixed and variable components, taking into account the Company's specific risk profile and its desire to maintain a strong alignment between the level of corporate and individual performance and remuneration, effectively incentivizing commitment, professional growth and the adoption of behaviours deemed functional to the achievement of corporate values and objectives. The overall remuneration contains a balanced mix of fixed, variable and benefit components, with a focus on identifying the metrics considered most effective in reflecting the medium-long term prospects of the Group.

The fundamental components of the Hera Group's remuneration, the related purposes and the scope of recipients to whom they are applied, are summarized in the following table:

COMPONENT	PURPOSE		ADMINISTRATIVE EXECUTIVES	DIRECTORS AND MANAGERS	EXECUTIVES	EMPLOYEES AND WORKERS
<b>Fixed remuneration</b>	(Gross annual salary)	Rewards technical, professional and managerial skills	✓	✓	✓	✓
	(Balanced scorecard)	Rewards annual performance based on objectives linked to the company's strategic priorities as well as the adoption of behaviours consistent with the leadership model	✓	✓	✓	
<b>Short-term variable remuneration</b>	(Incentive plan for sales staff)	Applied to employees and managers holding commercial sales positions, rewards the achievement of commercial objectives			✓	✓
	(Performance bonus)	Applied to the pool of workers, employees and managers, collectively rewards annual performance, based on the achievement of pre-set and measurable KPIs			✓	✓
<b>Medium-long term variable remuneration</b>	(Deferred incentive plan for management retention)	Rewards medium and long-term performance with a view to retention	✓	✓		
<b>Non-monetary benefits and welfare</b>	(Welfare plan)	Integrates the remuneration package with a view to further strengthening manager retention	✓	✓		
	(Other non-monetary benefits)	Integrates the remuneration package with a total reward perspective	✓	✓	✓	✓
<b>Other components of remuneration</b>	(Non-competition agreement)	Applied to key figures such as commercial staff, those linked to waste treatment or in the energy trading and the services sector, represents a hedging instrument against the transfer of competitive advantages to competitors		✓	✓	✓
 applies to the entire workforce belonging to this category						
 applies to a part of the workforce belonging to this category based on certain characteristics linked to the role and/or strategic nature of the position						

The Hera Group's Remuneration Policy, in addition to providing specific rules and methodologies for the remuneration of management, defines some compensation guidelines to be applied to the remaining part of the company workforce. More specifically, concerning all organisational positions, including with reference to resources other than management, the market remuneration comparison is constantly updated both for the fixed remuneration components and for the variable components and benefits, and consequently the most suitable measures are adopted for internal process of a structured process aimed at rewarding individual contributions to the creation of added value, in addition to ensuring fair and sustainable working conditions.

Therefore, the main remuneration components defined for management and the related purposes and characteristics are applied – *mutatis mutandis* and according to a proportionality criterion, the rationales of which are summarised in the graphic representation above – to the entire workforce, based on harmonisation and dissemination of the underlying principles indicated, also taking into consideration the working conditions of all employees and in full compliance with the principles of equality between individual demographic characteristics (gender, age, geographic origin, etc.).

### III. Pay for performance

The year 2023 closed with significant improvement in all operating and financial indicators, thanks to the full execution of the ambitious investment plan, the increase in remuneration in regulated businesses and the effectiveness of the managerial initiatives undertaken.

Indeed, the 16% drop in revenues was entirely due to the normalization of energy commodity prices that were offset by the positive internal dynamics that led energy customers to increase by 774 thousand, volumes of marketed waste to rise by 190 thousand tons, and the adjusted value of assets to grow by 248 million euro.

These growth levers, combined with some acquisitions concluded to integrate the range of services offered to customers and strengthen the market positioning, allowed Ebitda to show further progress, building on its track record of over twenty years of growth.

Net profit post minorities also saw growth with a percentage change of 32%, highlighting the value created by management.

Positive cash generation was able to finance 812 million euro of investments and the payment of growing dividends, reducing leverage to 2.5x, one of the most conservative values in the sector, which provides ample financial flexibility to pursue further growth opportunities.

The good quality of the results was confirmed by the financial analysts covering the Hera stock, whose estimates have been outperformed in all of the quarterly periods, with the average target price rising from 3.94 euro to 4.05 euro after the presentation of the preliminary financial results in early 2025 and the 83% of the recommendations advising the purchase of the stock.

MN€	2022*	2023*	2024*	VARIATION 2023/2024	PERCENTAGE OF VARIATION 2023/2024
Revenues	20,082	15,331	12,890	(2,441)	(16%)
Ebitda	1,295	1,495	1,588	+93	+6%
Operating profit	628	741	830	+89	+12%
Net profit post minorities	322	375	447	+119	+32%
Net financial debt	4,250	3,828	3,987	+159	+4%
Financial leverage (Net Debt / Ebitda)	3.3x	2.6x	2.5x	(0.0x)	(2%)

\* managerial values, including gas warehouse inventory valuation and the exclusion of special items from net profit as shown in paragraph 1.04 of the consolidated and separate financial statements

In 2024, the Group's leadership model, which is a benchmark in the variable remuneration of management, was updated with the inclusion of entrepreneurial inclination among the evaluation elements. This transformation seeks to strengthen the sense of belonging and individual responsibility, promoting a proactive attitude and greater determination to overcome business challenges.

Furthermore, in line with the corporate purpose of creating value for all stakeholders, Hera also in 2024 recorded a growth in shared value quantified in CSV Ebitda, coming to 10%, expanding the sustainable approach to management aligned with 11 global goals (SDGs) of the United Nations.

This approach, which has proven to be crucial for the strategic plans and included in the variable remuneration of management, allowed the Group to maintain the positive ratings of the main ESG rating agencies.

In 2024, Hera was confirmed in the Dow Jones Sustainability Index, Europe and World, positioning itself as a world leader in the reference sector for the fifth consecutive year. The Group's inclusion was also confirmed in the FTSE For Good and Mib Esg indexes of Borsa Italiana, the World Top100 of Refinitiv Diversity & Inclusion and Bloomberg Gender & Equality. In terms of ratings, Morningstar Sustainalytics has further improved the assessment of Hera's ESG risk management, considering it to be the second best among all global multi-utilities. Hera was then ranked first in Italy for sustainability governance, in the ESG Identity Corporate Index ranking drawn up by Etica News, while ISS Esg placed Hera at the top of the sector for environmental aspects.

The following table reports the data of the Ebitda and of the Shared Value Investments (CSV), certified by external auditors.

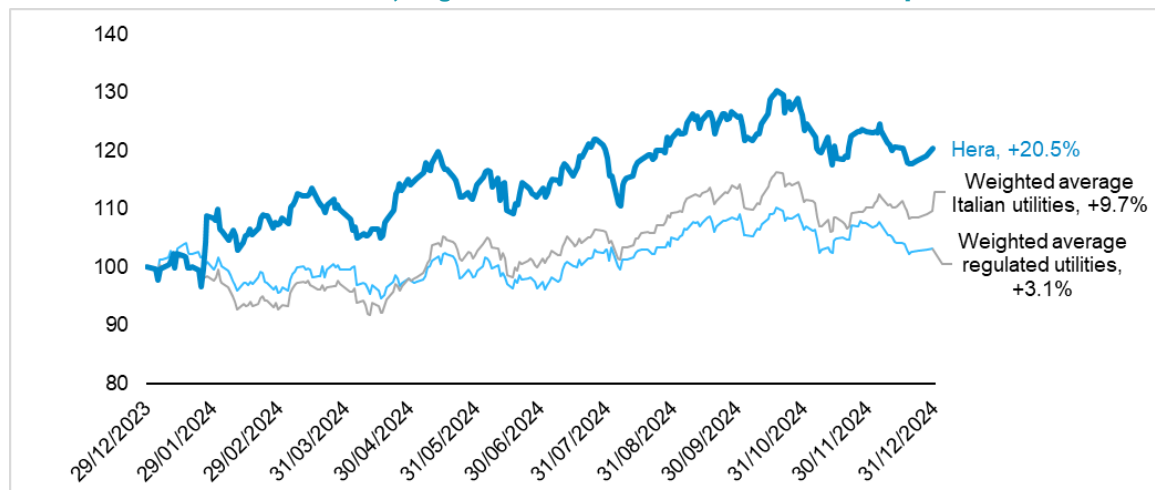
MN€	2022	2023	2024	VARIATION 2023/2024	PERCENTAGE OF VARIATION 2023/2024
CSV Ebitda	670	776	857	+81	+10%
% CSV Ebitda	51.8%	51.9%	54.0%	+2.1 p.p.	+4%
CSV Investments	510	558	655	+97	+17%



The positive results were also reflected in a total shareholders return of 20.5% in 2024, which includes the appreciation of the value of the shares and the payment of a dividend set at 14.0 cents.

The following graph illustrates the trend of total shareholders return over the year in comparison with the weighted average of regulated utilities and the weighted average of Italian utilities.

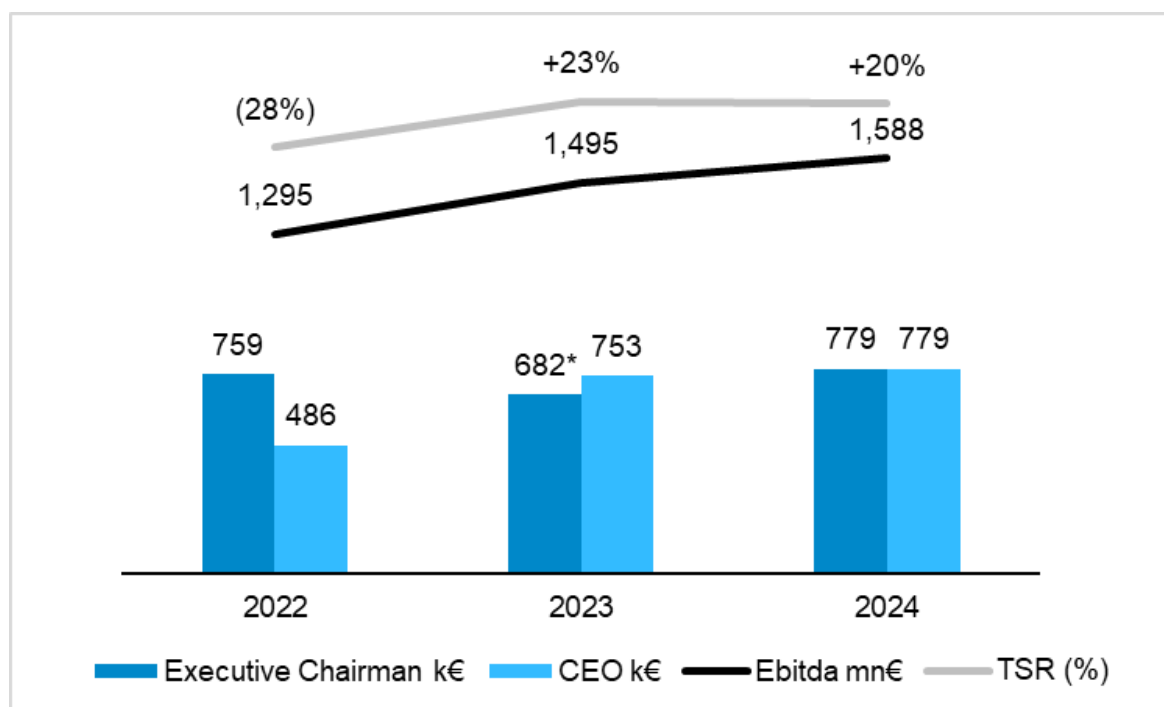
#### Shareholders Return: Hera Stock, Regulated Utilities and Local Utilities Compared



Hera's stock displayed a consistently higher total return to shareholders throughout the year than both regulated utilities and utilities as a whole, confirming the positive reception of the business plan and solid quarterly performance.

The following chart, which relates the performance of the Hera Group's results over a three-year period, the shareholders' return and the total remuneration of the executive members, confirms the effectiveness of the remuneration, aimed at pursuing the creation of value for all stakeholders. Indeed, having included performance indicators such as return on invested capital (ROI) in comparison with the cost of capital (WACC) within variable remuneration made it possible to carefully track the long-term value creation levers (EVA) with efficient capital allocation. This approach was especially rewarding over the past years, as the end of the expansionary monetary policy introduced by the European Central Bank raised the average cost of capital (WACC), making it necessary to boost returns in order to continue creating value. For this reason, to protect shareholder interests, Hera did not limit itself to including ROI in the metrics measured for the Management's variable remuneration, but also deemed it appropriate to factor in the ROI/WACC differential.

## HERA PERFORMANCE AND TOTAL REMUNERATION (FIXED AND VARIABLE) OF EXECUTIVE MEMBERS



\*Includes eight months of remuneration for the current Executive Chairman and four months of remuneration for the previous Executive Chairman.

The definition of consistent remuneration policies at Group level is also expressed in a relationship between the remuneration of executive members and that of employees has been stable over time, confirming the creation of value shared with all stakeholders.

PAY RATIO (X)	2022	2023*	2024
Fixed remuneration Executive Chairman vs average employee remuneration	9.3x	9.3x	9.6x
Fixed CEO Compensation vs Average Employee Compensation	8.9x	9.3x	9.6x
Average employee remuneration	41.0	41.0	41.0

\*Includes eight months of remuneration for the current Executive Chairman and four months of remuneration for the previous Executive Chairman.

## IV. Shareholder engagement activities

Hera makes a significant effort in dialogue activities with all investors, financial analysts and proxy advisors in order to reflect the value of the company's fundamentals and the value creation of industrial management in the share price. The Group has a policy for managing dialogue with the generality of shareholders and bondholders, approved by the Board of Directors, which describes the ways in which investors can get in touch with the Company and the main topics of discussion.

This policy aims to respect the following principles:

- Transparency and fairness to enable an informed assessment of the Hera Group
- Timeliness in making information available
- Equal treatment
- Promoting the Mission and Corporate Principles
- Compliance with legal and regulatory provisions

In this activity of comparison and dialogue with investors, comprehensive information was provided regarding the following aspects relevant to investors:

- Economic and financial performance relating to quarterly and annual closings
- Competitive and regulatory context
- Business plan and strategy
- Environmental, social and governance issues
- Hera stock performance, buyback program, dividend policy, capital structure
- Risk management
- Events of particular importance that may affect the Group's performance
- Corporate governance system and remuneration policy

During 2024, the executive members of the Board of Directors and the Director of Investor Relations participated in an institutional road show in the main European and US financial centres to present the strategy contained in the Business plan through to 2027. Subsequently, they also participated in conferences organized by brokers as well as individual meetings requested by investors. Overall, there were 397 contacts with financial market participants in 2024.

In 2024 in preparation for the work of the shareholders' meeting, Hera conducted an engagement activity with proxy advisors and stewardship departments of the main institutional shareholders in order to provide support in understanding the Group's remuneration policy and other issues being voted on. The dialogue was also an opportunity to gather suggestions for improvement, which were part of the activities to update this remuneration report.

## PREFACE

This document has been drawn up in compliance with the provisions of art. 5 of the Corporate Governance Code which Hera Spa has adhered to with resolution of the Board of Directors of 11 November 2020, as well as art. 123-ter of the Legislative Decree. 58/1998 (Consolidated Finance Act), as amended by Legislative Decree. 49/2019, implementing the Shareholder Rights Directive (EU) 2017/828 (SHRD II for short), which requires listed companies to make a report available to the public concerning the remuneration policy and compensation paid which was prepared on the basis of the provisions of art. 84- quater and in Annex 3A, scheme 7-bis, of the implementing regulation of the Consolidated Law on Finance adopted by Consob with resolution 11971 of 14 May 1999 (Issuers' Regulation) and amended by Consob itself with resolution 21623 of 10 December 2020.

This report also provides evidence of the shareholdings held by the members of the Board of Directors, the members of the Board of Auditors, as well as by the spouses (not legally separated) and minor children of the aforementioned individuals.

This report, approved by the Board of Directors, defines and illustrates:

- in "Section I", the policy adopted by Hera for the remuneration of the Board of Directors, including the Executive Directors, the Board of Statutory Auditors, the remaining management and, more generally, the personnel, specifying how it contributes to the strategy and sustainable success of the Company, as well as identifying the bodies involved and the procedures adopted for the definition and implementation of the policy itself;
- in "Section II", the compensation paid for the 2024 financial year, or paid or to be paid for results achieved in the same financial year to the members of the Board of Directors, including the Executive Directors, and of the Board of Statutory Auditors.

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

<b>BSC (BALANCED SCORECARD)</b>	indicates the incentive system adopted by the Group to which, in exchange for the achievement of predefined individual and company objectives, the short-term variable component of remuneration is linked.
<b>GROUP</b>	indicates the group of companies included in the consolidation perimeter of Hera Spa.
<b>MANAGEMENT</b>	Executive Directors as well as other employees with managerial qualifications.
<b>DEFERRED MONETARY INCENTIVE PLAN FOR MANAGEMENT RETENTION</b>	indicates the medium-long term incentive system adopted by the Group to which, upon the achievement of predefined objectives for a selected number of managers, to which a variable component of deferred remuneration is linked.
<b>GROSS ANNUAL SALARY</b>	total annual gross fixed remuneration, including any gross fixed emoluments for the offices held.
<b>SHARED VALUE</b>	policies and operating practices that improve a company's competitiveness while simultaneously advancing the economic and social conditions of the communities in which it operates.
<b>EXECUTIVE DIRECTORS</b>	indicates the Executive Chairman and the Chief Executive Officer.

## SECTION I - REMUNERATION POLICY

### 1 Introduction

“Section I” of this report illustrates the specific rules and methodologies for management remuneration, also dictating general instructions for the compensation discipline to be applied to the remaining part of the corporate population.

The fundamental principle underlying the Group’s culture and guiding its choices is the commitment to combine economic and social value, with the ultimate goal of achieving the sustainable success of the Company in the medium-long term, pursuing the interests of all stakeholders. Hera, in fact, wants to be a company built to last over time and to improve the society and the environment of future generations.

In this regard, it should be noted that the Shareholders’ Meeting of 28 April 2021 amended Hera’s Articles of Association by introducing the following purpose: “The Company implements a business model with the aim of creating long-term value for its shareholders through the creation of shared value with its stakeholders. To this end, the Company organizes and carries out business activities also with the aim of promoting social equity and contributing to the achievement of carbon neutrality, the regeneration of resources and the resilience of the managed services system, for the benefit of customers, the reference territorial ecosystem and future generations (Hera for the Planet, for People and for Prosperity)”.

The sense of responsibility that characterizes the company culture and mission translates into an equally responsible approach to remuneration. The remuneration policy is conceived as a factor that contributes to the improvement of company performance and the creation of sustainable success over the medium to long term.

From a responsible reward perspective and in light of the recommendations contained in art. 5 of the Corporate Governance Code, the Board of Directors has therefore defined this remuneration policy.

#### 1.01 Innovations introduced in the 2024 Remuneration Policy

This remuneration policy is represented in continuity with last year’s approach in terms of simplification in the presentation of contents, also through graphs, and greater valorization of Hera’s commitment to the issues of sustainability and gender equality, and in coherence with the references to the information required by the ESRS (extended) on corporate governance relating to the new sustainability reporting.

This finds its most important manifestation in non-financial reporting and in the connection of the objectives of the latter with the KPIs of the short and medium-long term incentive systems, as well as in the confirmation also for 2024 of the maintenance of the certification for Gender Equality in application of the UNI/PDR 125:2022 scheme.

Finally, it is emphasized that, in 2025, within the performance evaluation process for 2024, the new leadership model introduced at the beginning of the previous financial year was adopted and for the first time in the Group, also included workers in the scope of application, thus directly involving the entire company population.

## 2 Scope of Application

In accordance with the provisions of Annex 3A of the implementing regulation of the Consolidated Law on Finance adopted by Consob with resolution 11971 of 14 May 1999 (Issuers' Regulation) and amended by Consob with resolution 21623 of 10 December 2020, the remuneration policy described in this document applies, primarily, to the members of the Board of Directors and the Board of Statutory Auditors, illustrates the specific rules and methodologies for the remuneration of management, also dictating general instructions for the regulation of the remuneration package to be applied to the remaining part of the company population.

The following table therefore indicates the members currently in office of the Board of Directors and the Board of Statutory Auditors of Hera, who were appointed to these bodies by the Shareholders' Meeting of 27 April 2023.

It should be recalled that:

- following the resignation of Mr. Lorenzo Minganti Attorney at Law from the position of non-executive and independent Director, effective June 19, 2023, the Board of Directors, on September 27, 2023, resolved to co-opt, as Director, Mr. Enrico Di Stasi, who was subsequently confirmed in office by the Shareholders' Meeting of 30 April 2024;
- the Shareholders' Meeting of 30 April 2024 appointed Mr. Tommaso Rotella Attorney at Law to the position of non-executive and independent Director, replacing the Vice President Mr. Gabriele Giacobazzi, who was no longer in office as of 3 March 2024. Subsequently, during the meeting of 14 May 2024, the Board of Directors appointed the Mr. Tommaso Rotella Attorney at Law as Vice Chairman of the Board of Directors of Hera, who shall remain in office until the natural expiry of the administrative body.

### BOARD OF DIRECTORS

NAME, SURNAME	POSITION HELD
Cristian Fabbri	Executive Chairman
Orazio Iacono	CEO
Thomas Rotella *	Vice Chairman (Independent)
Fabio Bacchilega	Director (independent)
Gianni Bessi	Director (non-independent)
Enrico Di Stasi	Director (non-independent)
Grazia Ghermandi	Director (independent)
Alessandro Melcarne	Director (independent)
Milvia Mingozi	Director (independent)
Marina Monassi	Director (independent)
Monica Mondardini	Director (independent)
Francesco Perrini	Director (independent)
Paola Gina Maria Schwizer	Director (independent)
Bruno Tani	Director (independent)
Alice Vatta	Director (independent)

### BOARD OF STATUTORY AUDITORS

NAME, SURNAME	OFFICE HELD
Myriam Amato	Chairperson
Antonio Gaiani	Standing auditor
Marianna Girolomini	Standing auditor
Stephen Gnocchi	Alternate Auditor
Susanna Giuriatti	Alternate Auditor

\*: appointed as director by the Shareholders Meeting of 30 April 2024, and subsequently as Vice Chairman by the Board of Directors of 14 May 2024

### 3 Governance model

#### 3.01 Remuneration policy: process for definition, approval and potential revision

The following is a summary of the bodies and subjects involved in the preparation, approval and possible revision of the Hera Spa remuneration policy, as well as the bodies or subjects responsible for the correct implementation of this policy:

RESPONSIBLE BODIES	RESPONSIBILITY / ACTIVITIES
Shareholders' Meeting	Binding resolution relating to Section One of the report on remuneration policy and compensation paid. Non-binding resolution relating to Section Two of the report on remuneration policy and compensation paid.
Board of Directors	Defines, examines and approves the remuneration policy for directors, including Executive Directors.
Remuneration Committee	It formulates proposals to the Board of Directors for the remuneration of the Executive Chairman, the Vice Chairman and the Chief Executive Officer and periodically evaluates the adequacy and overall coherence of the policy for the remuneration of directors and management.
Executive Chairman	Proposes to the Remuneration Committee the policies regarding the remuneration of managers, excluding executive directors.
Central Director of Personnel and Organization	Supports the Remuneration Committee, with particular reference to technical aspects. Ensures the correct implementation of the remuneration policy.

#### 3.02 Role, composition and responsibilities of the Remuneration Committee

The Remuneration Committee is responsible for making proposals to the Board of Directors regarding the remuneration of the Chairman, Vice Chairman and Chief Executive Officer, as well as, on the basis of the indications provided by the Executive Chairman, for the adoption of general criteria for the remuneration of executives.

The Executive Directors do not take part in the decisions of the Remuneration Committee regarding the compensation awarded to them.

The Committee also periodically evaluates the adequacy, overall coherence and concrete application of the general policy adopted for the remuneration of Executive Directors.

In carrying out its functions, the Committee has the possibility of accessing the information and corporate functions necessary for the performance of its tasks, making use of an independent consultant when necessary.

This Committee, established for the first time in the meeting of the Board of Directors on 4 November 2002 and last renewed in its composition on 10 May 2023, is composed, in compliance with the provisions of the Corporate Governance Code, exclusively of independent non-executive directors (Monica Mondardini, Fabio Bacchilega and Alice Vatta), and chaired by an independent director (Tommaso Rotella), appointed by the Board of Directors on 14 May 2024 to replace Gabriele Giacobazzi, who passed away on 3 March 2024.

The Remuneration Committee met three times in 2024 and all the members of the Committee participated in all meetings.

#### COMPOSITION OF THE REMUNERATION COMMITTEE

Tommaso Rotella (Chairman)	Majority list	3/3 sessions	3 sessions in 2024
Monica Mondardini	Majority list	3/3 sessions	
Fabio Bacchilega	Majority list	3/3 sessions	
Alice Vatta	Minority lists	3/3 sessions	

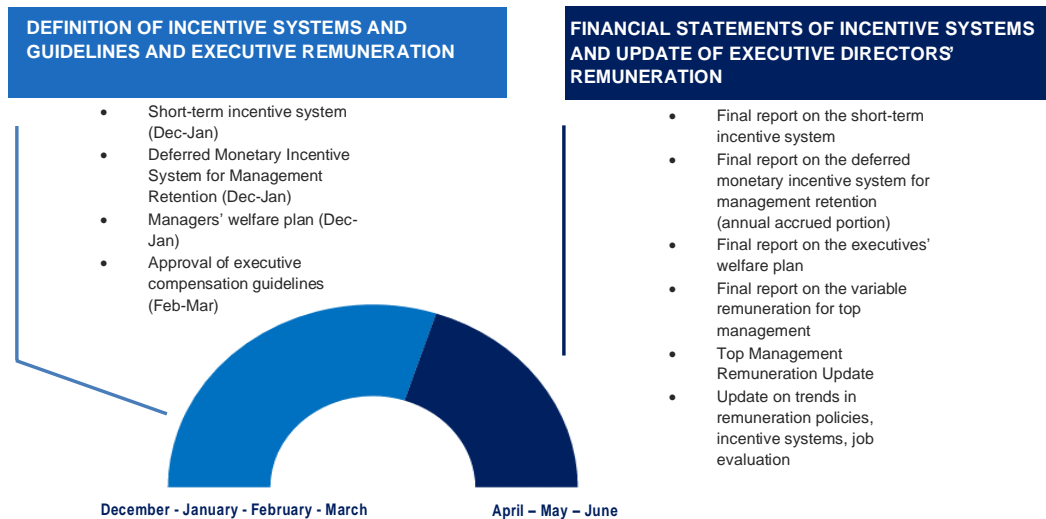
It should also be noted that the Board of Directors, at the time of the last renewal of the Committee, acknowledged that Article 5, Recommendation no. 26 of the Corporate Governance Code, as the Remuneration Committee is composed exclusively of non-executive, independent directors and at least one member with adequate knowledge and experience in financial matters or remuneration policies.

At the express invitation of the Chairman of the Remuneration Committee, the Central Director of Human Resources and Organization of Hera Spa and the Director of Shared Value and Sustainability participated in the Committee's work.

The meetings of the Compensation Committee, which were duly recorded in the minutes, lasted an average of about one hour and ten minutes.

### 3.02.01 Remuneration Committee cycle of activities

The Committee's activities are carried out in implementation of an annual programme which includes the following phases:



### 3.02.02 Activities carried out and planned

During the meetings held in 2024, which were regularly minuted, the following issues were addressed:

- 2024 budget, BSC system – social incentive plan;
- in-depth analysis of the contractual conditions of the company's top management with specific focus on any termination agreement (severance);
- 2023 Corporate Results Reporting:
  - short-term variable compensation results;
  - results related to the welfare plan.
- 2023 report relating to the short-term variable remuneration cards of the top management;
- 2024 Compensation Guidelines and Policies for Directors and Executives:
  - 2024 salary positioning;
  - 2024 remuneration policy guidelines;
  - application of the remuneration policy to the Head of the Internal Audit function and to the Designated Officer who is responsible for drawing up the company's accounting documents.
- benchmark positioning and remuneration of top management.

Furthermore, the Committee reported to the Board of Directors on the work carried out.



## 4 Hera Group Remuneration Policy

### 4.01 Aims and fundamental principles

The Company defines and applies a remuneration policy, with an annual duration, in order to ensure continuous dialogue with shareholders and to facilitate, from time to time, their involvement in the definition of the remuneration policy and, at the same time, to maintain the necessary flexibility to promptly meet future needs for regulatory compliance and alignment with market best practices.

This remuneration policy is therefore valid for the year 2025 and its purposes are, first and foremost, the following, to be understood as intertwined and inseparable:

- increased value for shareholders;
- achieving sustainable success in a stable manner in the short and medium-long term;
- attraction, engagement and motivation of individuals holding positions relevant to governance and business;
- pursuit of the company's purpose, mission and values, including in terms of sustainability and equity, with particular attention to ESG issues, in line with the Hera Group's sustainability report.

Wholly consistent with the above, the guiding principles adopted in the definition of remuneration policy and, in particular, that of the management are:

- alignment of remuneration with performance in a medium-long term perspective;
- constant reference to the external market, including the reference sector, to verify the coherence of the company's salary offer, with a dual perspective of engagement and sustainable cost management;
- attention to internal coherence between the level of the salary offer and the complexity of the position held, also taking into account the economic treatments and working conditions of the employees;
- use and constant updating of the position assessment methodology, with the aim of ensuring homogeneous and consistent salary comparisons and analyses with the evolution of the Group's organizational structure over time.

The above-mentioned purposes and principles are, respectively, pursued and applied through the adoption of the following guiding criteria in defining the management remuneration systems and, in accordance with a criterion of proportionality, also towards the remaining personnel:

- use and constant updating of the methodology for evaluating positions and their weight, with the aim of ensuring homogeneous and consistent salary comparisons and analyses with the evolution of the Group's organizational structure over time;
- constant reference to the external market, also with benchmarks of the reference sector, to verify the coherence of the company's salary offer, with a view to making the tools more flexible, as well as the ability to attract talent and recruit them;
- connection of the short-term variable part of the remuneration to the Group's strategic priorities through the adoption of the balanced scorecard model, oriented towards the economic-financial objectives and those of sustainable development identified in the Group's sustainability report, within which the policies and projects for mitigation and adaptation to climate change and the creation of a circular resource management model are included;
- balance between economic-financial indicators, financial solidity, creation of shared value in line with the sustainable development objectives defined by the United Nations and customer satisfaction targets, in the definition of variable incentive systems, both short and medium-long term;
- offering non-monetary benefits in line with best market practices (flexible benefits, performance bonus conversion, welfare plan);
- constant attention to specific recruitment activities for human resources in relevant and high market risk roles, in order to ensure the pursuit of the Group's medium-long term objectives;
- maintaining consistency between Hera's risk profile and the composition of the remuneration package;
- analytical and constant monitoring, both in the definition and application phases, of the indicators relating to gender equality in order to guarantee their progressive full implementation.

With particular reference to the indicators linked to ESG objectives, these constitute a significant part in determining the parameters of short and medium-long term variable remuneration.

In particular, the Ebitda generated by shared value activities and projects represents the portion of industrial income attributable to activities that respond to the need for change in the direction of sustainability indicated by the Global Agenda. Moreover, approximately 60% of the overall weight of the target projects annually assigned to management refer to sustainability projects or initiatives placed in the areas of shared value creation for the company: "Regenerating resources and closing the loop", "Pursuing decarbonisation", "Enabling resilience and innovating".

#### 4.02 Correlation between management remuneration, risk profile and company performance

The Hera Group has defined an integrated risk management and internal control system in relation to the financial reporting process as provided for by art. 123-bis, paragraph 2, letter. b) of the Financial Services Act

The system adopted by Hera is inspired by the COSO Framework as an internationally recognized reference model for the analysis, implementation and evaluation of the risk management and internal control system at Group level.

In relation to the sector to which it belongs, the risk profile of the Hera Group is placed at an intermediate level between that of operators more concentrated on regulated activities only and that of operators engaged in riskier free market activities. Overall, the risk profile appears very conservative.

Consistently, the Group's current remuneration system is aimed at avoiding management adopting behaviors that expose the Group to excessive risks (risk adverse approach) or to the non-sustainability of the Group's results in the medium-long term.

In relation to the Group's consistent growth in terms of business results, corporate and territorial dimensions and the investment made over the years to secure valuable resources for key roles for the development and sustainability of the corporate strategy, the deferred incentive plan for management retention represents the medium-long term incentive tool most consistent with the Group's culture of creating shared value, consolidating, at the same time, the culture of financial solidity of the Group and, therefore, maintaining a conservative risk profile.

The incentive plan has already proven effective in aligning management action with the objectives of strengthening the fundamental parameters of interest to shareholders, as well as the main stakeholders; with the introduction, starting from 2019, of the enterprise value added as a parameter/objective. The trend of total shareholder return underscores how the transfer of value created by the Group has been incorporated into the performance of the stock and, consequently, transferred to the benefit of shareholders, the ultimate goal of medium-long term plans with a retention vocation.

The focus on balancing indicators in defining variable incentive systems, both short and medium-long term, which includes the creation of shared value in line with the sustainability objectives defined by the United Nations, has been strengthened, starting from 2021 with the addition of Ebitda to the value shared among the main KPIs of the Group's remuneration policy.

This indicator derives mainly from activities and projects that respond to the calls to action of the Global Agenda, structured on three drivers in relation to the specific purposes:

- environment: activities aimed at "regenerating resources and closing the loop". Sustainable water resource management, transition to a circular economy, air and soil protection are the main areas of this driver's impact .
- energy: activities aimed at "achieving carbon neutrality". Energy transition and use of renewable sources as well as promotion of energy efficiency are the areas of impact of this driver.
- territory: activities aimed at "enabling resilience and innovating". Innovation and digitalization of processes, economic development and social inclusion are the two areas of impact of this driver.

#### 4.03 Correlation between management remuneration and the economic treatment and working conditions of employees

The Hera Group had adopted a strategy that considers people as the true success factor for the growth and development of the Company, and has made the protection of employees' working conditions one of the cornerstones of its policies.

To this end, it is worth remembering that the main national collective bargaining agreements in the sector, as well as numerous second-level agreements, are applied within the Group. Furthermore, the respect and evolution of the working conditions of the employees is embodied in various interventions on which the Group has been committed for a long time, such as:

- a strong focus on female representation, both in positions of responsibility and overall representation, included in the objectives of the group's managers;
- analysis and corrective actions to ensure gender equity;
- the strengthening of welfare tools;
- strict control of the accident phenomenon;
- investment in physical and mental health, through programs to support prevention and training on healthy lifestyles.

This strategy of enhancing the value of human resources is further implemented by constantly seeking best practices in compensation, welfare, development and training, diversity and innovation.

The remuneration policy is therefore part of a corporate context that is particularly attentive to the working conditions of its own people and is embodied in a tendency to harmonise, while maintaining the principle of necessary granularity and proportionality, the practices and tools adopted for the entire corporate population.

Some examples:

- the widespread use of job evaluation at all levels of the organization to assess the internal fairness and external competitiveness of individual salary offerings;
- a performance management process applied to the entire company population (directors, managers, executives, employees and workers) to implement remuneration dynamics consistent with the defined policies;
- constant attention to external market practices also for the determination of short-term variable percentages for the Group's executives and commercial staff;
- adjustment of the remuneration package mix in relation to the specificity of certain company roles (incentives for sales staff) or specific retention needs (monetary retention bonuses for people identified as talents in the Group);
- presence of an integrated corporate welfare system accessible to the entire population, characterised by the allocation of equal welfare quotas for all employees, by additional investments in support of the education of workers' children and by the possibility of converting part of the performance bonus into welfare credit;
- adoption of the total reward statement for the entire company population which, with a view to greater transparency, allows all employees to view all the monetary and non-monetary salary components received in a year;
- certification for Gender Equality in application of the UNI/PDR 125:2022 scheme was granted in 2023 and also confirmed for 2024 and a constant monitoring of the gender pay gap through a comparative analysis that allows the calculation of the pay gap with equal characteristics, such as complexity of the position held, professional family, seniority in the role and individual performance. In this way, any pay differences not justified by objective factors are analyzed and improvement initiatives are directed accordingly.

#### 4.04 The evaluation process and the Group's leadership model

The Group's remuneration policy, as an essential distinctive feature, is strongly linked to the process of assessing the results achieved by people, both individually and collectively, thus pursuing maximum coherence in the definition of development actions in relation to individual and contextual specificities.

The performance appraisal process (or development process), applied to the entire company population (with the inclusion, therefore, of blue-collar staff from 2024 onwards), is characterised by the following steps:



During the evaluation phase, which includes both self- and external-evaluation mechanisms to support managers, people are evaluated on the dimensions of performance (what results were achieved - what) and managerial skills (how the results were achieved - how), each with three possible levels of achievement: **basic** (B); **adequate** to the expectations of the role (M); **advanced** with respect to the expectations of the role (A).

The subsequent calibration phase allows us to identify nine homogeneous clusters based on a “performance/managerial capacity” matrix:

PERFORMANCE	A (Advanced)			
	M (Adequate)			
	B (Basic)			
		B (Basic)	M (Adequate)	A (Advanced)
		MANAGERIAL SKILLS		

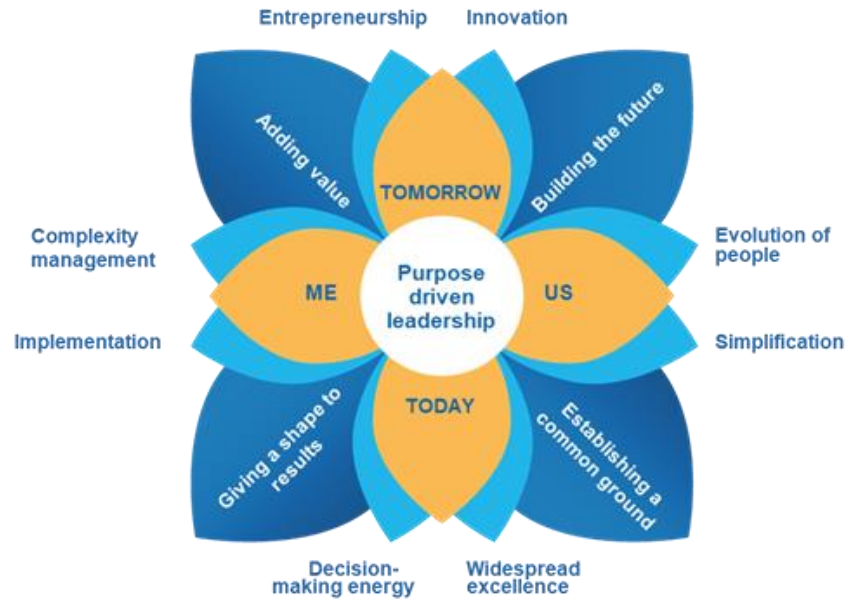
The dimension of managerial skills refers to the model of leadership behaviors that the Group has adopted. The leadership model defines the excellent behaviors expected from people to achieve the Group’s strategic and operational objectives on a daily basis. Furthermore, it represents a reference in the remuneration policy, further strengthening the link between remuneration, performance and management behavior. The evaluation of the behaviors envisaged by the leadership model, in fact, is an integral part of the management of fixed remuneration (see paragraph 5.01), is part of the individual objectives linked to short-term variable remuneration (see paragraph 5.02) and is, furthermore, one of the parameters that determines the level of bonus envisaged in the three-year management incentive plan (see paragraph 5.03).

The leadership model is strongly linked to the evolution of the competitive context and the new challenges to which the Group is called to respond. In this sense, the model is regularly updated to respond effectively to market transformations and emerging complexities, ensuring its constant evolution and ever-current application.

At the heart of the new model is “purpose driven leadership,” an approach that goes beyond the simple management of resources and activities to focus on creating meaning and inspiration. This leadership style emphasizes clarity of vision and creating an environment where team members feel engaged and passionate about the work they are doing.

The new model has inherited from the previous one, the dimension related to time (today/tomorrow) as well as that related to people (me/we) and foresees four areas of expected results (each characterized by two distinctive skills): giving shape to results (decision-making energy; realization), adding value (entrepreneurship; complexity management), establishing a common ground (widespread excellence and simplification), building the future (innovation; evolution of people).

Each competence has been broken down into distinctive behaviors for all individual qualifications on a scale from one to five, making the model the behavioral reference for the entire population concerned.



For 2024, the target of expected behaviours is 3 out of 5, incentivizing management not only to achieve the individual targets set, but also to implement behaviours that create intangible value inside and outside the organization, important to give greater strength and concreteness to corporate values in the daily actions of all employees. Furthermore, in 2025, with reference to the year 2024, the evaluation of the achievement of results was applied for the first time to the entire population including those with a worker qualification. The leadership model for this population includes four of the eight skills (realization, complexity management, simplification and innovation), which are articulated in accordance with the specificities of the qualification.

A central element of the development process is the dialogue on performance: a two-way exchange between manager and employee, in which the clarity and effectiveness required of managers is accompanied by the commitment of individuals to use feedback as a tool for continuous learning.

Finally, following a further phase of assessment of the potential of the resources, the entire process enables the definition of specific development actions which are divided, with a view to total reward, into four distinct clusters:



#### 4.05 Gender pay gap and Gender equality certification

The Hera Group's constant attention to the working conditions of its people has been confirmed by the achievement of the certification for Gender Equality in application of the UNI/PDR 125:2022 scheme: this is a further demonstration of the results achieved in this area, the result of the commitment made in creating an inclusive corporate culture free from stereotypes and prejudices. A management system that involved 11 companies of the Group and that provides for the measurement, reporting and evaluation of a set of indicators in six areas: culture and strategy, governance, HR processes, growth opportunities and inclusion of women in the company, gender pay equity, parenting protection and work/life balance; with the aim of filling any gaps that may exist and producing sustainable and long-lasting change, thanks to a dedicated strategic plan.

As a matter of fact, the Hera Group traditionally promotes initiatives aimed at gender equality in the selection and hiring processes, career management, welfare and conciliation policies, communication and engagement and, obviously, salary development thanks to the monitoring of the Gender pay gap. A comparative analysis with which it is possible to analyze and intercept any situations of salary differences not justified by objective factors and direct targeted improvement initiatives.

The Board of Directors of the Hera Group has approved the Policy for Gender Equality, which defines the Group's commitment to the issue, the continuous and effective implementation of which is entrusted to the Steering Committee for Gender Equality.

The certification represents a further step in a process that has been underway for some time, the most significant of which has included the signing of the Charter for Equal Opportunities and Equality at Work, launched in Italy in 2009, the establishment in 2011 of a Diversity Management working group, composed of colleagues from different corporate functions, the recognition as a global leader in the multi-utility sector within the Dow Jones Sustainability Index 2024, as the first Italian company in the ESG Identity Corporate Index 2024 and inclusion in the top ten of the international Diversity & Inclusion Index ranking by Refinitiv.

#### 4.06 Exceptions to the Remuneration Policy and potential recalibration of KPIs

On an extraordinary and non-recurring basis, in the event of exceptional circumstances and following the opinion of the Remuneration Committee, the Board of Directors may provide for temporary derogations from the remuneration policy described above, without prejudice in any case to the application, where necessary, of the provisions set forth in the Procedure for transactions with related parties.

It should be noted that exceptional circumstances are those situations in which a derogation from the policy is appropriate for the purposes of pursuing the long-term interests and sustainability of the Company as a whole and/or to ensure its ability to remain on the market. Exceptional circumstances include extraordinary transactions (for example, acquisition, restructuring, reorganization or reconversion projects, significant changes to the organizational, management and administrative structure of the Company that could impact the economic-financial results and the creation of value in the long term, as well as actions aimed at attracting/retaining the best talents in specific market contingencies), not previously planned, in analytical terms, at the date of preparation of this remuneration policy.

In concrete terms, if the above-defined conditions are met, it is possible to occasionally and exceptionally, grant bonuses and one-off payments of a discretionary - but objectively oriented - and non-recurring nature, which reward the entry and/or results of management of particular strategic significance - in terms of pursuing the Group's long-term interests, as well as protecting and safeguarding the Group's ability to stay on the market - not already included in the variable components of short- and medium-long-term remuneration as they are connected to particularly relevant objectives, but not foreseeable at the time of determining the KPIs of the aforementioned components, obtained through exceptional individual contributions that can contribute in a tangible manner to the creation of value for stakeholders. The evaluation of such results and the corresponding contributions and performances shall be submitted, for Executive Directors, directors and managers, to the prior scrutiny of the Remuneration Committee and the related competent decisions are adequately motivated, in compliance with the provisions of the Corporate Governance Code and the regulations on transactions with related parties, even in the absence of predefined criteria (KPI), without prejudice to the application, to the maximum extent possible within the limits of compatibility, of all the other principles contained in this remuneration policy, including in the matter of claw-backs.

When calculating the variable remuneration, both short and medium-long term, it is possible - in the event of exceptional circumstances (as defined above) or extraordinary circumstances (by which we mean: regulatory and/or legislative compliance requirements, also owing to - among other things - (i) new or amended public regulations and/or laws, of any source or type, as well as (ii) interpretations of the same public rules and/or regulations, resulting from provisions of any nature or, in any case, from any other soft law act or from (iii) relevant exogenous events of a socio-economic, political or health nature, which have had a significant impact on the Company's results) - to proceed with the possible recalibration of one or more of the KPIs, which modifies its calculation and/or result. The recalibration will need to be properly justified and shall be subject to approval by the Board of Directors. It may not in any case, result in a deviation of more than  $\pm 40\%$  from the original calculation, subject, in all cases, to compliance with the cap in force at the time.

## 5 Compensation and remuneration elements

The structure of the remuneration package, provided for the various roles, functions and positions, is defined with a view to balancing the fixed, variable and non-monetary monetary components, taking into account the specific risk profile of the Company.

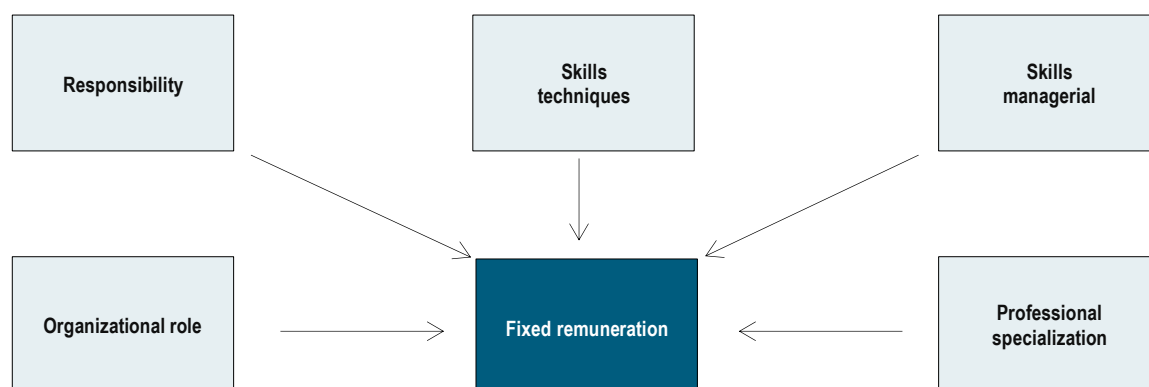
The main components of the remuneration of the management - as well as, within the limits of what is highlighted in sub-paragraph II. of the Executive Summary above, of the remaining personnel - of the Hera Group are:

- fixed remuneration;
- short-term variable remuneration;
- medium-long term deferred variable remuneration for management retention;
- non-monetary benefits and welfare
- other remuneration elements

### 5.01 Fixed remuneration: gross annual remuneration

The fixed component of the remuneration is determined by the professional specialization and the organizational role covered with the related responsibilities. It therefore reflects the technical, professional and managerial skills, as periodically updated.

The levels of the fixed component of remuneration are established with respect to the specificity of the Company and its risk profile, with the aim of attracting and retaining highly capable human resources.



For each manager, the reference salary level is determined based on the weight of the organizational position held. The weight is developed by internal personnel specifically trained and certified by specialized consulting firms on the basis of the rigorous application of the Job Evaluation methodology recognized among the best practices on the market. The weight of the position is then tested against salary benchmarks with reference markets, obtained from specialized sector companies that carry out salary surveys in which the Group participates and take into consideration for the year 2025, a total of 355 companies, of which 26% are Italian and 74% foreign. 10% of companies have more than 5 thousand employees.

With reference to Executive Directors, the benchmark is further focused on the Group's main direct competitors, such as A2A, Iren and Acea, as well as on a selected panel of companies in the energy sector belonging to relevant external markets.

This process therefore ensures internal equity as well as external competitiveness through a well-considered market benchmark, interpreted in light of the Company's choice to adopt a salary positioning that falls within the mid-market range.



## 5.02 Short-term variable remuneration

The short-term variable component of remuneration is linked to the achievement of individual and Group objectives, which derive directly from the Company's strategic priorities through the adoption of the balanced scorecard model.

<b>RECIPIENTS</b>	Executive Directors – managers (directors, A and B managers) and executives of the Hera Group.
<b>OBJECTIVES</b>	Executive Directors: Group economic-financial objectives (Ebitda, net result, net debt and Ebitda CSV) and a Group customer satisfaction objective (ICS). The remaining recipients: performance objectives divided into three areas: a) project objectives; b) economic objectives of the budget unit; c) Leadership Area, weighted on the basis of the performance indicators applied for Executive Directors.
<b>INCENTIVATION LEVEL</b>	Upon reaching 100% of individual objectives: percentage of the RAL, divided by recipient category, depending on the weight of the recipient's position within the organization and the strategic value of the tasks.

### 5.02.01 Recipients

The recipients of the BSC system are, in addition to the Executive Directors, all managers (divided into the following levels: directors, A managers and B managers) and executives of Hera Spa and of the companies belonging to the Group. With reference to the population of managers, for the year 2025, the perimeter includes 38 directors and 117 managers.

### 5.02.02 Structure of the targets

The short-term incentive system provides for the assignment of an individual BSC card to each recipient. With reference to the Executive Directors, the individual profile provides for the assignment of Group economic-financial and sustainability objectives (Ebitda, net result, net debt and Ebitda CSV) and of an indicator linked to the Group's customer satisfaction survey (ICS).

For the remaining recipients, each BSC card includes individual objectives associated with specific performance indicators divided into three areas. The relative weight of each area and its contents are represented in the diagram below:

		<b>TARGET PROJECTS AREA</b>	<b>ECONOMIC TARGET AREA, COMPANIES</b>	<b>LEADERSHIP AREA</b>
Weighting	Directors	50% - 80%	10% - 40%	10%
	Managers	40% - 70%	10% - 40%	20%
	Executives	70%	-	30%
Content		Defined on the basis of the Group's strategic map, derived from the Business plan and in line with the medium-long term policies and objectives on all ESG dimensions.	The result is automatically evaluated on the basis of the final values from the civil balance sheet of the economic indicators assigned with a "reached/not reached" logic.	Based on the degree of adoption of the behaviors envisaged by the leadership model adopted by the Group.

The individual result is subsequently weighted by a corporate result profile, which takes into account the performance recorded by the Group with reference, for 2025, to five parameters:

- Ebitda;
- Net result;
- Net debt;
- Shared-value Ebitda (CSV);
- Residential customer satisfaction index (ICS)



### 5.02.03 Measuring the targets

Individual performance is determined on the basis of the achievement of the objectives actually pursued and the specific weight of the single objective, according to the following methods:

- target projects: the progress of each target project is monitored on a quarterly basis. The most relevant strategic projects are shared within the Group's management committee (Management Review). At the end of each financial year, each assigned project is evaluated by the direct manager using 11 evaluation levels (0%, 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90%, 100%) defined on the basis of the actual achievement of the indicators present in each project according to the following reference scheme:

	TARGET PROJECT ACHIEVED (RATING LEVEL: 100%)	TARGET PROJECT ALMOST COMPLETELY ACHIEVED (RATING LEVELS: 90%-80%- 70%)	TARGET PROJECT PARTIALLY ACHIEVED (RATING LEVELS: 60%- 50%)	TARGET PROJECT WITH SIGNIFICANT DEVIATIONS (RATING LEVELS: 40%- 30%-20%-10%)	TARGET PROJECT NOT ACHIEVED (SCORE 0%)
INDICATORS	All relevant targets reached* or exceeded: 100% target achieved	Prevalence of relevant targets achieved*: 75%<=target reached<100%	More than half or half of relevant targets achieved*: 75%<target reached<=50%	Only a some of the relevant targets were reached*: 50%<targets reached<=10%	No relevant targets were reached*

\* relevant targets are those targets whose reaching is a necessary condition for the full achievement of the project objectives

- economic objectives of the individual budget units: the result is automatically evaluated on the basis of the final values from the civil budget of the economic indicators assigned with an achieved/not achieved logic;
- adoption of the conduct envisaged by the leadership model: includes 360-degree observations that can be activated across the company organization and is consolidated through the involvement of the managers of the individual teams who evaluate the skills envisaged by the model.

The evaluation is carried out on the eight skills foreseen by the model and is calculated on the basis of the arithmetic mean of the evaluations associated with the skills; the target for each recipient is defined within an evaluation scale from one to five, a value that represents the excellence of expression of the single skill throughout the reference period; the percentage of achievement of the objective on behaviors is distributed over ten bands according to the following scheme:

ARITHMETIC MEAN OF THE 8 RATINGS	RESULT (%)
>= 3.0	100%
> 2.8 and < 3.0	90%
> 2.7 and <= 2.8	80%
> 2.6 and <= 2.7	70%
> 2.5 and <= 2.6	60%
> 2.4 and <= 2.5	50%
> 2.3 and <= 2.4	40%
> 2.2 and <= 2.3	30%
> 2.1 and <= 2.2	20%
> 2.0 and <= 2.1	10%

Based on the performance profile obtained by the Company on the five parameters, the weighting percentage to be applied to the individual results up to 115% of the result is defined according to the following scheme:

		WEIGHTING CLASS					
WEIGHT	KPI	A+	A	B	C	D	
20%	Ebitda						
20%	Net result						
20%	Net debt	Targets exceeded	Targets achieved	Minimum deviation	Reduced deviation	High deviation	Deviation below class D
20%	CSV Ebitda						
20%	Res. CSAT						
% Weighting		115%	100%	80%	60%	40%	0%

Each KPI is evaluated separately. The weighting percentage is determined by calculating the weighted average of the percentage values resulting from the results of each individual indicator. Any indicator that records a final result lower than class D (high deviation) will result in the value of the premium linked to the indicator being reset to zero. Only for the population with a managerial qualification, the weighting percentage in class A+ is equal to 120%.

#### 5.02.04 Incentivation

The short-term variable remuneration provided by the Bsc system upon reaching 100% of the individual objectives has an amount expressed as a percentage of the Gross Annual Salary, including any gross fixed emoluments for the positions held, divided by category of recipients.

For managers, two levels of variable remuneration are foreseen (managers A and managers B) distinguished on the basis of the weight of the manager's position within the organization and the strategic importance of the tasks.

The following table shows for the different levels, the % of variable remuneration and the maximum variable remuneration in case of maximum individual performance and over performance of all company targets:

POSITION HELD	INDIVIDUAL VARIABLE MAXIMUM (A)	MAXIMUM COMPANY WEIGHTING (B)	MAXIMUM VARIABLE PAY IN RELATION TO GROSS ANNUAL SALARY (AXB)
Executive Chairman and CEO	50%	115%	57.5%
Directors	30%	115%	34.5%
A-class managers	22%	115%	25.3%
B-class managers	17%	115%	19.6%
B-class executives	10%	120%	12.0%

The following diagram illustrates the mechanism for measuring a director's maximum bonus:

COMPONENT	DESCRIPTION	EXAMPLE OF EXCEEDING COMPANY TARGETS AND MAXIMUM INDIVIDUAL EVALUATION	EXAMPLE OF ACHIEVEMENT OF COMPANY TARGETS AND MAXIMUM INDIVIDUAL EVALUATION
A	Gross Annual Salary (euro)	100,000	100,000
B	Target bonus (% Gross Annual Salary)	30%	30%
C	Target bonus (euro) = A x B	30,000	30,000
D	Individual goals achieved (%)	100%	100%
E	Weighting coefficient company performance (%)	115%	100%
F	Bonus value paid (euro) = C x D x E	34,500	30,000

Finally, and without prejudice to the provisions of paragraph 4.06 with reference to management (meaning the Executive Directors, as well as other employees with managerial qualifications), the Company, with reference to employees with managerial qualifications and the remaining personnel, reserves the right - with the aim of pursuing the purpose of rewarding significant contingent individual extra performances without generating permanent impacts on the fixed components of remuneration - to pay one-off bonuses, of a non-recurring and exceptional nature, objectively determined in relation to individual performances on the assigned objectives if significantly higher than the defined targets. In such circumstances, the amount of the bonus falls within the scope of predetermined values, expressed as a percentage of the fixed remuneration, in any case not exceeding 10%.

### 5.03 Medium-long term variable remuneration: deferred incentive plan for management retention

The medium-long term variable component of the remuneration is linked to a deferred monetary plan, approved by the Board of Directors following an evaluation of a series of elements:

- since the establishment of Hera, the Group has grown significantly in terms of company size, territory and final results;
- from the point of view of its management, the Group has reached a composition that is the result of a careful balance between the entry of new skills from the market and specific value-added skills already present;
- The Group enjoys a strong reputation and visibility on the market and, consequently, it is appropriate to adopt very selective retention actions for those executive resources who hold strategic roles, have high performance and high market risk.

#### RECIPIENTS

Executive Directors – certain directors and managers

#### TARGETS

The Group's strategic objectives are based on three targets: Economic value added (EVA) or the cumulative target value of the three-year period, equal to the difference between the NOPAT (Net operating profit after taxes) and the WACC (Weighted average cost of capital) for the invested capital; the ratio of the end of the financial year to the last year of the three-year period between net debt and Ebitda; the percentage of Creating shared value (CSV) on Ebitda at the end of the financial year to the last year of the three-year period.

With the exception of Executive Directors, for the remaining recipients of the plan, the result achieved on the three targets is weighted on the basis of individual performance objectives and managerial capabilities.

Executive Directors: the maximum three-year incentive provided for reaching 100% of the objectives is equal to 120% of the Gross Annual Salary.

#### INCENTIVATION LEVEL

For other recipients of the plan: the maximum three-year incentive provided for reaching 100% of the objectives is equal to 100% of the Gross Annual Salary (therefore the corresponding theoretical annual quota is equal to 33% of the Gross Annual Salary) or to 50% of the Gross Annual Salary (therefore the corresponding theoretical annual quota is equal to 16.67% of the Gross Annual Salary).

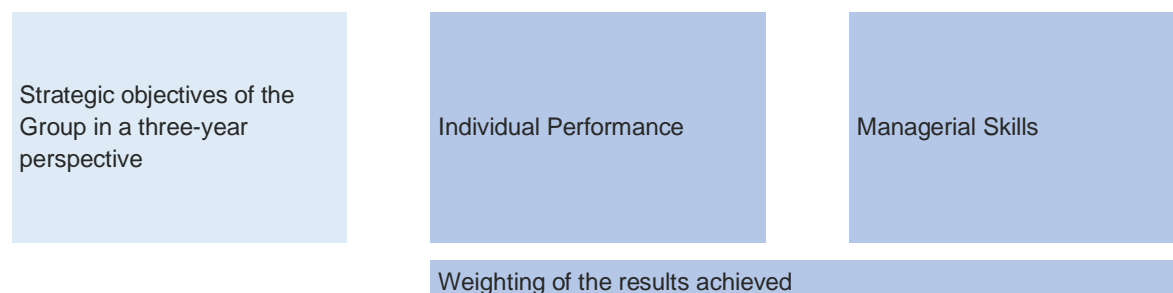
#### 5.03.01 Recipients

The retention plan applies to Executive Directors in relation to the multi-year duration of their mandate, as well as to a limited number of directors and executives.

The definition of the scope of recipients is determined by applying the general criteria indicated below:

- identification of a small number of managers based on the weight of their organizational position, performance evaluation obtained within the development process and age;
- periodic evaluation mechanism for access and renewal / non-renewal of the allocation of the monetary plan, based on the criteria set out above;
- responsibility of the Executive Directors in choosing the beneficiaries also in relation to the evaluation elements based on the actual market risk of the individual professional profile.

#### 5.03.02 Structure of the targets



From the point of view of aligning remuneration with performance, the retention plan incentivizes a commitment to the development of managerial skills, the level of individual performance and the achievement of the Group's strategic objectives in a three-year perspective.

The system provides for the assignment of an individual card to each recipient, containing a component evaluating individual performance and managerial skills and a component of strategic objectives of the Group.

The component for the evaluation of individual performance and managerial skills takes into account the positioning achieved by the recipients in the three-year period within the development process matrix (see par.4.02).

The component relating to the achievement of the Group's strategic objectives aims to enhance the ability to create and share value, as well as further consolidate the culture of financial solidity of the Group in the medium-long term and further pursue the interests of stakeholders. This component includes three indicators of equal weight:

- Economic value added (EVA) or the cumulative target value of the three-year period, equal to the difference between the NOPAT (Net operating profit after taxes) and the WACC (Weighted average cost of capital) for the invested capital;
- the ratio of net debt to Ebitda at the end of the three-year period;
- the percentage of Creating shared value (CSV) on the Ebitda at the end of the financial year in the last year of the three-year period.

The following tables show the three-year plan currently in force and the related trend of the KPI targets with reference to the Executive Directors:



WEIGHTING	KPI	2023-2025
33.3%	EVA (million euro)	226 (with WACC equal to 5.8%)
33.3%	Net Debt/Ebitda (previous year)	2.98
33.3%	Contribution to CSV (previous year)	59%

### 5.03.03 Measuring targets

The level of achievement of Group KPIs can vary from 0% to 120% according to the following scheme:

		ACHIEVEMENT CLASS					
WEIGHT	KPI	A+	A	B	C	D	
33.3%	EVA (million euro)						
33.3%	Net debt / Ebitda	Targets exceeded	Targets reached	Minimum deviation	Reduced deviation	High deviation	Deviation below class D
33.3%	Contribution to CSV						
% Weighting		120%	100%	80%	60%	40%	0%

Each indicator is evaluated separately. The overall achievement percentage will be determined by calculating the weighted average of the percentage values resulting from the results of each individual indicator. Any indicator that records a final result lower than class D results in the value of the premium linked to the indicator being reset to zero.

The evaluation parameter of the development process is given by the average of the evaluations in the three-year period on performance and managerial skills or by the annual positioning of each beneficiary within the following matrix which determines the relative weighting:

PERFORMANCE	A (Advanced)	75%	100%	100%
	M (Adequate)	50%	75%	100%
	B (Basic)	0%	20%	25%
		B (Basic)	M (Adequate)	A (Advanced)
		MANAGERIAL SKILLS		

The evaluation parameter of the individual managerial capacity development process does not apply to Executive Directors, as the same evaluation elements are considered to be already expressed by the level of achievement of the Group KPIs.

#### 5.03.04 Incentivation

For the Executive Chairman and Chief Executive Officer, the maximum three-year incentive value provided by the retention plan upon reaching 100% of the objectives is equal to 120% of the Gross Annual Salary.

For the rest of the Group's management benefiting from the plan, the maximum three-year incentive, upon reaching 100% of the objectives, is equal to 100% of the Ral (therefore the corresponding theoretical annual quota is equal to one third of the Gross Annual Salary, or 33% of the Gross Annual Salary) or to 50% of the Gross Annual Salary (therefore the corresponding theoretical annual quota is equal to one third of the gross annual fixed remuneration, or 16.67% of the Gross Annual Salary), determined on the basis of the general criteria defined for the identification of the recipients.

The maximum value of the medium-long term remuneration is determined on the basis of the following calculation system for each three-year cycle:

THREE-YEAR BENCHMARK PERIOD	BENEFICIARIES	BENCHMARK GROSS ANNUAL SALARY [A]	% MAXIMUM INCENTIVE [B]	KPI ACHIEVEMENT LEVEL [C]	
2023-2025	Executive Directors	Gross Annual Salary as of April 30, 2025	120%	Range 0%-120%	$[A] \times [B] \times [C]$

The incentive is paid in May of the fourth year - that is, the year following the completion of the three-year period of the medium-long term plan - provided that the beneficiary is still on the staff.

With reference to beneficiaries confirmed as eligible in a subsequent long-term incentive plan, in order to limit the risk of abandonment after the bonus has been paid, the payment is expected in May of the second year as an advance (returned in the event of termination of the relationship) of the theoretical sum accrued for the first year of the three-year period, or to the target defined ex ante (advance of the first year equal to one third of the overall three-year bonus). The payment of the remaining amount (equal to two thirds of the bonus) is then expected in May of the fourth year. In the event that at the end of the period (at the end of the three-year period) the performance achieved results in a variable remuneration lower than the amount already paid as an advance, the difference will be deducted from the remuneration of the current year (fourth year).

#### 5.04 Social incentive and non-monetary benefit plan

Starting in 2017, with the aim of further strengthening the retention of the Group's management, a welfare plan linked to the achievement of Group corporate objectives was introduced, intended for all employees with managerial qualifications, which provides for a payment in welfare quotas that can be spent within the services present within the existing corporate welfare program. The payment is directly linked to the level of achievement of the Group KPIs already used as an overall weighting of the results of the BSC system according to a scheme that, for each individual indicator, provides access to the bonus exclusively in the event of exceeding the relative defined target.

Each indicator is evaluated separately. The overall result is determined by calculating the weighted average of the percentage values resulting from the results of each individual indicator.

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

- Executive Directors: a maximum welfare bonus equal to 6% of 50% of the total Gross Annual Salary is foreseen (equivalent to 3.0% of the Gross Annual Salary);
- directors: a maximum welfare bonus equal to 6% of 30% of the Gross Annual Salary (equivalent to 1.8% of the Gross Annual Salary) is foreseen;
- managers: two distinct levels of maximum welfare bonus are foreseen, equal respectively to 6% of 22% of the Gross Annual Salary (equivalent to 1.3% of the Gross Annual Salary) and to 6% of 17% of the total Gross Annual Salary (equivalent to 1% of the Gross Annual Salary).

Furthermore, starting from 2016, in line with the implementation of the Group welfare plan launched in 2016, access to a flexible benefit plan has been defined for all Group employees, which determines the assignment of an individual quota of 395 euro in 2024.

Finally, with reference to the entire non-managerial population of the Group, the possibility of converting up to 50% of the company performance bonus into goods and services included in the company welfare program is foreseen.

In line with best practices, the following main insurance coverages are provided: Directors & Officers (D&O) Liability for third party civil liability, professional and extra-professional accidents, death and permanent disability due to illness. Furthermore, the allocation of a company car for mixed use is foreseen for figures with managerial qualifications.

## **5.05 Other remuneration elements not applicable to Executive Directors**

### **5.05.01 Performance bonus**

The performance bonus is a well-established instrument in the Hera Group. It is the subject of negotiation with the national trade union organizations that deal with the sectors in which the Hera Group operates (mainly the sectors relating to the gas-water, electricity and environment collective bargaining agreements). With the national trade unions, the specific indicators of the Company/Unit budget are defined year by year and for every three-year period, within the scope of the Group supplementary contract (second level agreement), the amount of the potential target bonus that is due to the employees, following the achievement of the pre-established results, is established. The current Group Agreement regulates the premium for the years 2025-2027.

The amount of the Bonus is divided into four parts and takes into account the profitability of the Hera Group, i.e. consolidated gross operating margin (Ebitda), shared value Ebitda and Ebitda/employees, as well as being conditioned by the achievement of specific objectives relating to increases in productivity, quality, efficiency and innovation.

It is expected that the employee will have the possibility, on a voluntary basis, to replace the cash performance bonus with company welfare services, within the limits and under the conditions established by law, for a maximum value of 50% of the annual bonus.

The agreement benefits from the decontribution, pursuant to art. 1 of Law 28 December 2015 n. 208, paragraph 189, as amended by the Legislative Decree April 24, 2017 n. 50, as a system of equal involvement of workers in the organization of work is foreseen, implemented starting from 2017, through the creation of working groups aimed at improving and/or innovating production areas and/or organizational/production models.

The agreement is also subject to the application of the preferential tax regime, pursuant to art. 1, paragraphs 182-189, of the Law 208/2015, as amended by Law 232/2016, and of the Ministerial Decree 25/03/2016.

### **5.05.02 Incentive systems for commercial professionals (commercial policy)**

The commercial incentive policy aims to guide the personnel involved towards the achievement of predetermined objectives by ensuring a competitive economic incentive offer aligned with market practices. It applies to executives and employees of business areas and companies that have organizational roles directly linked to commercial duties.

The incentive model is characterized by the following elements directly related to the assigned commercial roles:

- recognition of a short-term variable emolument related to the achievement of individual objectives and budget units;
- concession of a company car for mixed use.

The assignment of the short-term variable occurs on an annual basis and provides for an economic compensation calculated as a percentage of the Gross Annual Salary through the assignment of a sheet that includes individual and group objectives (85%) and the adoption of the behaviors of the leadership model (15%). The evaluation result is subsequently weighted by a corporate performance profile, which takes into account the performance recorded by the Group.

Furthermore, a variable incentive model is also foreseen for the front-end staff of the Group's sales companies, which includes the assignment of a card with individual (85%) and team (15%) objectives. The overall result is weighted according to the service quality index (SQI) and the average waiting time of customers at the counter (Average Waiting Time (AWT)).

### 5.05.03 Non-competition agreement

In consideration of the particular value of the employment businesses as well as the attractiveness of key figures such as commercial ones, for professional skills related to waste treatment or in the trading and energy services sector - which constitute not only a source of knowledge and professional skills but also a significant opportunity to acquire customers, programs, methods, policies, etc. - the non-competition agreement was applied as provided for by art. 2125 of the Italian Civil Code for a duration of 24 months.

The agreement, in exchange for the anti-competitive obligations of the employees (with relative determination of the object, place and time of the constraint), provides for the provision of financial compensation in favour of the former. The gross amounts identified are payable monthly. In the event of a breach of the agreement, the employee will have to pay the company a multiplier of the amount received up to the date of termination within a predetermined limit, without prejudice to any other ordinary civil remedies.

## 6 Remuneration of directors

Within the Board of Directors it is possible to distinguish between: Executive Directors, invested with specific roles and to whom specific responsibilities are delegated; non-executive directors.

In the current composition of the Board of Directors of Hera Spa, it is possible to identify the following as executive directors: the Executive Chairman, Cristian Fabbri, and the Chief Executive Officer, Orazio Iacono; non-executive directors: the Vice Chairman of the Board of Directors Tommaso Rotella, appointed director by the Shareholders' Meeting on 30 April 2024 and subsequently Vice Chairman by the Board of Directors on 14 May 2024 (replacing Gabriele Giacobazzi who passed away on 3 March 2024) and the directors Fabio Bacchilega, Gianni Bessi, Enrico Di Stasi, Grazia Ghermandi, Alessandro Melcarne, Milvia Mingozi, Marina Monassi, Monica Mondardini, Francesco Perrini, Paola Gina Maria Schwizer, Bruno Tani and Alice Vatta.

### 6.01 Non-executive Directors

In relation to the non-executive directors, the Shareholders' Meeting of 27 April 2023, following their appointment, established that they would be paid a fixed gross annual compensation of 40 thousand euro, in addition to the reimbursement of documented expenses.

The Board of Directors - with regard to the positions held by the aforementioned directors within the Group companies, as well as the Hera Group Committees (Executive Committee, Remuneration Committee, Control and Risk Committee and Ethics and Sustainability Committee) - has decided to recognise the same directors with an additional fixed gross annual compensation of 20 thousand euro.

The same Board of Directors, on 24 May 2023, resolved to recognize the Vice President, for the duration of the office, a fixed gross annual compensation of 85 thousand euro, including the indemnity due as a director and any other emolument for positions held within the Group.

OFFICE	2021 COMPENSATION	2022 COMPENSATION	2023 COMPENSATION	2024 COMPENSATION
Vice Chairman	85,000 euro	85,000 euro	85,000 euro	85,000 euro
Member of the Board of Directors	40,000 euro	40,000 euro	40,000 euro	40,000 euro
Member of the Hera Group Committees and/or of the Board of Directors of Group companies	20,000 euro	20,000 euro	20,000 euro	20,000 euro

It should be noted that, in line with best practices and the indications contained in the Corporate Governance Code, no variable component of compensation is envisaged for non-executive directors.

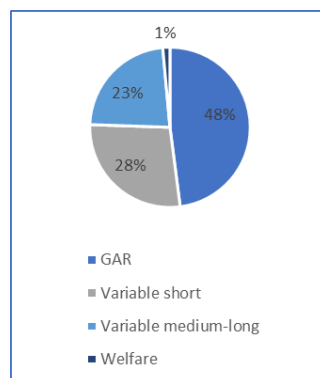
Always in line with best practices, the following main insurance coverages are provided: Directors & Officers (D&O) Liability for third party civil liability, professional and extra-professional accidents and death.

### 6.02 Executive Directors

With reference to the roles of Executive Chairman and Chief Executive Officer, the composition of the remuneration package at target for 2025 is summarised below:

REMUNERATION ELEMENT	EXECUTIVE CHAIRMAN	CEO
Gross annual remuneration	400,000 euro	400,000 euro
Short-term variable remuneration (50% of gross annual remuneration)	200,000 euro	200,000 euro
Deferred medium-long term variable remuneration (annual pro-rata equal to 40% of the gross annual remuneration)	160,000 euro	160,000 euro
Welfare plan (maximum 3% of gross annual remuneration)	12,000 euro	12,000 euro
<b>TOTAL</b>	<b>772,000 euro</b>	<b>772,000 euro</b>





In case of exceeding 100% of the objectives, a maximum theoretical bonus equal to:

- short term variable remuneration: 57.5% of the Gross Annual Salary (230,000 euro)
- medium-long term variable remuneration: 48.0% of the Gross Annual Salary (192,000 euro).

A significant portion of the total remuneration of the Executive Chairman and Chief Executive Officer is directly related to the achievement of indicators linked to ESG objectives. As described in paragraphs 5.02 and 5.03, in fact, these represent a significant part in determining the parameters of short and medium-long term variable remuneration. The Ebitda CSV indicators for the short-term variable with a relative weight of 20%, and the CSV contribution for the medium-long term variable with a weight of 33.3%, represent the objectives directly linked to sustainability issues. Both measure the portion of Ebitda generated by activities that not only improve the Group's margins, but also deliver tangible social and environmental benefits.

Achieving 100% of these indicators generates a variable component of the overall remuneration (sum of the short-term variable component and the deferred variable component), which stands, on an annual basis, at 23.7% of the fixed annual remuneration according to the following scheme:

#### SHORT-TERM VARIABLE

Target	Weight %
CSV Ebitda	20.0%
Remuneration related to reaching 100% of the objective	32,000.00

#### MEDIUM-LONG TERM VARIABLE

Objective	Weight %
CSV Contribution	33.3%
Remuneration related to reaching 100% of the objective (annual pro-rata)	53,280.00

Total ESG-related remuneration	85,280.00
Variable remuneration upon achievement of 100% of objectives (short + medium-long)	360,000.00
Incidence %	23.7%

With regard to non-monetary benefits, the company car for mixed use is granted, in addition to the insurance coverage referred to in the previous paragraph 5.04.

The individual components of the compensation package are described below.

##### 6.02.01 Fixed Remuneration

The Executive Chairman and the Chief Executive Officer - who also have a subordinate managerial employment relationship with Hera - benefit from a total gross fixed annual remuneration of 400 thousand euro gross each, which also includes the compensation provided for the position, as well as for the positions held in the Group companies. This remuneration was determined with a maximum conservative and prudent perspective, taking into account the inflation trend and the market remuneration dynamics relating to the benchmarks of top positions in listed multi-utility companies (see par. 5.01). The proposal to adjust the gross fixed annual remuneration from 380 thousand euro to 400 thousand euro effective from 30 April 2024 was discussed and approved by the Remuneration Committee in the



meetings of 7 May 2024 and 4 June 2024 respectively, as well as approved by the Board of Directors on 26 June 2024.

#### **6.02.02 Short-term variable remuneration**

With reference to the variable component of short-term remuneration and in accordance with the BSC system described in paragraph 5.02, in the 2025 financial year, the Executive Chairman and the Chief Executive Officer have been provided with the possibility of accruing a variable remuneration related to the achievement of Group performance objectives, structured as follows:

- a bonus equal to 50% of the Gross Annual Salary as defined above will be recognized in the event of achievement of the defined economic-financial and sustainability target results (Ebitda, net result, net debt and Ebitda CSV) of 2024 and the results of the customer satisfaction survey (ICS) of 2025;
- in case of exceeding the assigned targets, the short-term variable remuneration may provide for a maximum growth in results equal to 15%, generating a maximum variable remuneration equal to 57.5% of the Gross Annual Salary  $[(57.5\%) = \text{maximum individual variable (50\%)} \times \text{maximum company weighting (115\%)}$ , corresponding to exceeding all the assigned targets (class A+)].

The Executive Directors have no obligation to make investments in Hera shares with their emoluments.

#### **6.02.03 Deferred variable remuneration for top management retention**

With reference to the variable component of the medium-long term remuneration and in line with the criterion of the multi-year duration of the mandate, provided for in the retention plan as described in paragraph 5.03, the Executive Chairman and the Chief Executive Officer have been provided with the possibility of accruing a variable remuneration related to the achievement of Group performance objectives in the three-year period 2023-2025, structured as follows:

- a bonus equal to 120% of the Gross Annual Salary as of 30 April 2025 will be recognized, in the event of achievement of the economic-financial and sustainability target results defined at the end of the three-year period (EVA, net debt/Ebitda and CSV percentage on Ebitda);
- in case of exceeding the assigned targets, the medium-long term variable remuneration may provide for a maximum growth of the result equal to 20%, generating a maximum variable remuneration equal to 144.0% of the Gross Annual Salary  $[(144.0\%) = \text{maximum individual variable (120\%)} \times \text{maximum company weighting (120\%)}$ , corresponding to the exceeding of all the assigned targets (class A+)].

#### **02.06.04 Social incentive plan for executive directors**

Starting from 2017, a welfare plan linked to the achievement of Group corporate objectives has been introduced for the Executive Chairman and the Chief Executive Officer, which provides for a payment in welfare quotas that can be spent within the services present within the existing corporate welfare program, the scheme of which is similar to that already described in paragraph 5.04.

The maximum value upon reaching 100% of the objectives of this program is equal to 6% of the theoretical individual variable and precisely, with reference to the 2025 financial year:

- for the Executive Chairman and the Chief Executive Officer, equal to 6% of 50% of the Gross Annual Salary (equivalent to 3.0% of the Gross Annual Salary).

Finally, with reference to the implementation of the Group welfare system launched in 2016 and which provides for the assignment to all Group employees of an annual quota to be spent on the services included in the existing corporate welfare program, an annual quota of 395 euro has been defined for the Executive Chairman and the Chief Executive Officer for 2025.

## 7. SEVERANCE PAY AND OTHER PROVISIONS RELATED TO THE TERMINATION OF EMPLOYMENT AND/OR OFFICE

	<i>Ante tempus</i> dismissal without just cause and the termination of employment relationship
	Expiry of office and termination of employment relationship
	Dismissal following non-renewal
	Dismissal following premature revocation without just cause
CASES IN WHICH THE SEVERANCE PAY IS APPLICABLE	The severance indemnity shall not be granted if, at the time of termination of the position and/or employment relationship, the results achieved in at least two previous financial years in the last three are objectively inadequate, or, for each financial year, they have been achieved to a degree lower than class D with reference to all indicators.
ACCESS GATE	
BASIS OF THE CALCULATION	Gross Annual Total Remuneration, including a) the gross fixed annual remuneration and/or the fixed compensation pursuant to art. 2389 of the Italian Civil Code and b) of the annual average of the short-term variable remuneration in the three preceding years or in the shorter period of duration of the relationships
MEASURE	Gross Annual Total Remuneration * 1 (one), for seniority not exceeding 12 months; Gross Annual Total Remuneration * 1.5 (one point five), for seniority of more than 12 months and not more than 24 months; Gross Annual Total Remuneration * 2 (two), for seniority exceeding 24 months.
CONDITION FOR PAYMENT	Mandatory cap equal to Total Gross Annual Remuneration * 2 (two). Signing of an agreement that regulates the termination of all existing relationships containing a general and novation transaction, signed pursuant to art. 2113 of the Italian Civil Code
DEFERRAL MECHANISMS	Payments: 80% within sixty days of signing pursuant to art. 2113 of the Italian Civil Code of the above agreement; a further 10%, within six months of signing pursuant to art. 2113 of the Italian Civil Code of the above agreement; the remaining 10%, within twelve months of signing pursuant to art. 2113 of the Italian Civil Code of the above agreement.
EX-POST CORRECTION MECHANISMS	Clauses that allow, in the event of serious violations of the rules or fraudulent or grossly negligent conduct that causes damage, both to the Company's assets and reputation, to (i) request and obtain the return, in whole or in part, of variable components of the remuneration (claw-back) and/or (ii) not to pay them, withholding the components subject to deferral (malus).

### 7.01 Severance pay

In accordance with the regulatory framework referred to in the Introduction and with the fundamental purposes and principles set out in paragraph 4.01, the Company reserves the right to enter into agreements, in view of or on the occasion of the termination of the employment relationship and/or office, which provide for the recognition of payments to the Executive Directors (by which this is understood to mean both the Executive Directors who do not have simultaneous subordinate employment relationships with the Company and the Executive Directors who do), the purpose of which is to mitigate the risks associated with the termination of all relationships with the Executive Directors, by flat-rate payment in advance of all costs and risks associated with it (Severance Indemnity).

The aforementioned agreements, where stipulated, take into account – among other things – the duration of the employment relationship and/or the position held, to be assessed on the basis of the peculiarities of the reference market.

The Severance indemnity may be granted in the following cases:

- (i) *ante tempus* dismissal from the position of executive director without just cause, with the necessary simultaneous termination of the employment relationship, where it exists;
- (ii) natural expiry of the office of executive director without renewal, also in this case with the necessary simultaneous termination of the employment relationship, where it exists;
- (iii) resignation from the employment relationship - where existing - (a) occurring within three months following the failure to renew the position of executive director and (b) motivated by a change in activity substantially affecting the position held overall;
- (iv) resignation from the employment relationship - where it exists - (a) occurring within three months following the early revocation from the position of executive director and (b) motivated by a change in activity substantially affecting the position held overall.

If none of the above-mentioned circumstances apply, the provisions of law and collective bargaining agreements applicable to the termination of office and of the subordinate employment relationship may apply.

In any case, the Severance indemnity will not be granted if, at the time of the termination of the office and/or of the subordinate employment relationship, the results achieved in at least two previous financial years in the last three financial years are objectively inadequate, meaning the results, for each financial year, were achieved in a degree

lower than class D with reference to all the indicators from time to time envisaged for the short-term variable remuneration.

For the purposes of calculating the Severance indemnity, where applicable, only the gross annual total remuneration is taken into consideration, including a) the gross annual fixed remuneration and/or the fixed compensation pursuant to art. 2389 of the Italian Civil Code, granted to the person concerned at the time of termination of the employment relationship and/or office, and b) the annual average of the amount actually paid as short-term variable remuneration in the 3 (three) years preceding the time of termination of the employment relationship and/or office or in the shorter period of duration of the relationships (Gross total annual remuneration).

Severance, where applicable, is determined as follows on the basis of the duration of the longer of the employment relationship or the position:

- (v) Gross annual total remuneration \* 1 (one), for seniority not exceeding 12 months;
- (vi) Gross annual total salary \* 1.5 (one point five), for seniority of more than 12 months and not more than 24 months;
- (vii) Gross annual total salary \* 2 (two), for seniority exceeding 24 months.

The Severance indemnity, determined as above, may not, in any case, exceed the maximum mandatory amount of the Gross Annual Salary \* 2 (two).

Severance pay absorbs - except as provided in the following paragraph 7.03 - Effects of termination of employment and/or office on incentive systems - any claim arising from all relationships with the Company and other companies in the Group, including notice or any compensation in lieu, the supplementary compensation provided for by the collective agreement applied for the unjustified dismissal of the manager and all possible damages, whether financial or otherwise, arising from the termination of the relationships, without prejudice to the right to payment of the severance pay and anything else due by law for the termination of the employment relationship (holidays, additional monthly payments, etc.).

Any Severance indemnity shall be granted only in the light of and within the scope of an agreement - signed pursuant to and for the purposes of art. 2113 of the Italian Civil Code - which regulates the termination of all relationships (both subordinate employment and administration) with the Company and with other companies of the Group and which provides, among other things:

- a) the right of the Company to bring liability and/or compensation actions for facts/behaviors constituting fraud and/or gross negligence, not known at the time of termination of the employment relationship and/or office;
- b) the waiver by the interested party of the variable remuneration quotas, both short-term (BSC) and medium-long term (LTI), which have been accrued, but not yet paid, except as provided in the following paragraph 7.03 - Effects of the termination of the relationship and/or office on the incentive systems;
- c) the waiver by the person concerned of any future claim, action or demand against the Company and possibly against other companies of the Group, including for compensation, within the scope of a general novation transaction pursuant to articles. 1975 and 1976 of the Italian Civil Code, both with reference to the position and with reference to the subordinate employment relationship.

Any Severance indemnity shall be subject to:

- (i) to deferral mechanisms, as described below: the Severance will be paid, as to 80%, within sixty days from the signature pursuant to art. 2113 of the Italian Civil Code of the above agreement, as to a further 10%, within six months of signing pursuant to art. 2113 of the Italian Civil Code of the above agreement, as for the remaining 10%, within twelve months of the signing pursuant to art. 2113 of the Italian Civil Code of the above agreement;
- (ii) to *ex post* correction mechanisms, as described in the following paragraph 7.02 – *Ex post* correction mechanisms.

## 7.02 *Ex-post* adjustment mechanisms

In relation to the variable components of remuneration (both short and medium-long term), as well as to Severance indemnity, the application is envisaged - within the limitation periods established by the current laws and regardless of the termination of the employment relationship and/or the position - of *ex post* correction clauses that allow the Company to (i) request and obtain the return, in whole or in part, of variable components of remuneration (claw-back) and/or (ii) not to pay them, retaining the components subject to deferral (*malus*).

With reference to the Severance indemnity, these clauses shall be applied by the Company, following a determination by the Board of Directors against individuals who have engaged in conduct in serious breach of company rules (with particular regard to the Code of Ethics and the Organizational Model pursuant to Legislative Decree. 231/01), contractual or legal, or who have carried out fraudulent or grossly negligent conduct to the detriment, both financial and reputational, of the Company.

With reference to the short and medium-long term variable remuneration, these clauses shall be applied by the Company, following a determination by the Board of Directors:

- (i) where it is ascertained that the variable components of the remuneration have been determined on the basis of circumstances and/or objectives whose existence and/or achievement are attributable to fraudulent or grossly negligent conduct of the person concerned or, in any case, carried out in violation of the reference rules (corporate, legal, contractual) or have been considered to exist and/or achieved on the basis of data which have subsequently been revealed to be manifestly incorrect, including cases in which the person concerned, with fraud or gross negligence, has altered the data used for the existence and/or achievement of the circumstances and/or objectives themselves;

- (ii) against individuals who have carried out conduct in serious breach of company regulations (with particular regard to the Code of Ethics and the Organizational Model pursuant to Legislative Decree. 231/01), contractual or legal, or who have engaged in fraudulent or grossly negligent conduct to the detriment, both financial and reputational, of the Company.

The above provisions regarding *malus* and claw-backs shall be implemented with respect to the Executive Directors through specific individual agreements, without prejudice to any other action being brought or remedy permitted by law to protect the interests of the Company and other companies in the Group.

### 7.03 Effects of termination of employment and/or office on variable remuneration systems

#### 7.03.01 General regulations

Generally speaking, in the event of termination of the employment relationship and/or office, the person concerned shall forfeit, for all purposes and effects, any right to payment of variable remuneration, whether short-term or medium-long-term, even if already accrued.

In particular:

- with reference to the short-term variable remuneration system (BSC), if, on 31 December of the year of accrual, the employment relationship and/or the position of the person concerned have ceased and/or the notice period has expired, the person concerned shall forfeit, for all purposes and effects, any right deriving from the BSC system, including both the right to the relevant payment (not even *pro rata temporis*), and the right to compensation and/or reimbursement for such non-payment;
- with reference to the LTI variable remuneration system, if, on the date of expected payment of such remuneration (i.e. after the date of approval of the financial statements relating to the last year of the three-year cycle), the employment relationship and/or the office of the person concerned have ceased and/or in the notice period, the person concerned shall forfeit, for all purposes and effects, any right deriving from the LTI system, including both the right to the relative payment (not even *pro rata temporis* also with reference to any advances already paid), and the right to indemnities and/or compensation for such non-payment.

#### 7.03.02 Specific regulations only applied in the event of severance pay actually due

Only in cases of the actual granting of the Severance indemnity as set forth above and subject to all the conditions provided for in Section 7.01 - Severance Indemnity (including the signing of the agreement pursuant to Art. 2113 of the Italian Civil Code referred to in paragraph 7.01 - Severance Indemnity), shall the following rules be exclusively applied.

##### 7.03.02.01 Specific regulations only applied in the event of severance pay actually due as per cases II or III (non-renewal)

In the event of the termination of the office (and, where applicable, of the employment relationship), the person concerned shall forfeit, for all purposes and effects, any right to payment of the variable remuneration accruing, whether short-term or medium-long term LTI, without prejudice to the right to payment of the variable remuneration accrued only, as specified below.

In particular:

- (i) with reference to the short-term variable remuneration system (BSC), if, on the date of termination of the office (and, where applicable, of the employment relationship), such remuneration has already been accrued by the person concerned and, on the date of expected payment of such remuneration, the office (and, where applicable, the employment relationship) of the person concerned has ceased and/or the notice period has expired, the interested party will be entitled to the payment of such remuneration, with the application of all additional terms, conditions and constraints provided for this type of remuneration pursuant to the regulations applicable from time to time;
- (ii) with reference to the medium-long term variable remuneration system LTI, if:
  - a) on the date of termination of the office (and, where applicable, of the employment relationship), such remuneration has already been accrued in full by the person concerned (with overall accrual being understood as the successful completion by the interested party of the entire three-year cycle and the satisfaction of all the requirements provided for its accrual) and, on the date of expected payment of such remuneration (i.e. after the date of approval of the financial statements relating to the last year of the three-year cycle), the office and, where applicable, the employment relationship of the person concerned have ceased and/or with notice, the person concerned shall be entitled to the payment of such remuneration, with the application of all the additional terms, conditions and constraints provided for this type of remuneration pursuant to the regulations applicable from time to time, without any acceleration and, therefore, with possible payment after the date of approval of the financial statements relating to the last year of the three-year cycle;
  - b) at the date of termination of the office and, where applicable, of the employment relationship, such remuneration has not already been fully accrued by the person concerned (with overall accrual being understood as the successful completion by the person concerned of the entire three-year cycle and the satisfaction of all the requirements provided for its accrual), the person concerned shall forfeit, for all

purposes and effects, any right deriving from the LTI system, including both the right to the relevant payment (not even *pro rata temporis*), and the right to compensation and/or reimbursement for such non-payment.

#### **7.03.02.02 Specific regulations only applied in the event of severance pay actually due as per cases I or IV (revocation ante tempus)**

In the event of termination of the office and, where applicable, of the employment relationship, the person concerned shall forfeit, for all purposes and effects, any right to payment of the variable remuneration accruing, whether short-term or medium-long-term, without prejudice to the right to payment of the variable remuneration accrued only, as specified below.

In particular:

- (i) with reference to the short-term variable remuneration system (BSC), if, on the date of termination of the office and, where applicable, of the employment relationship, such remuneration has already been accrued by the person concerned and, on the date of expected payment of such remuneration, the office and, where applicable, the employment relationship of the person concerned have ceased and/or under notice, the person concerned shall be entitled to the payment of this remuneration, with the application of all additional terms, conditions and constraints provided for this type of remuneration pursuant to the regulations applicable from time to time;
- (ii) with reference to the medium-long term variable remuneration system LTI:
  - a) if the position and, where applicable, the employment relationship of the interested party are terminated and/or the notice period is terminated before the person concerned has successfully completed the first year of the three-year cycle, the interested party will forfeit, for all purposes and effects, any right deriving from the LTI system, including both the right to the relevant payment (not even *pro rata temporis*), and the right to compensation and/or reimbursement for such non-payment;
  - b) if the office and, where applicable, the employment relationship of the person concerned are terminated and/or in the notice period after the interested party has successfully completed at least the first year of the three-year cycle, the person concerned shall be entitled to the payment of such remuneration determined *pro rata temporis* on an annual basis based on the full years of the three-year cycle as well as based on the level of successful completion by the person concerned of the three-year cycle, with the application of all additional terms, conditions and constraints provided for this type of remuneration pursuant to the regulations applicable from time to time, without any acceleration and, therefore, with possible payment after the date of approval of the financial statements relating to the last year of the three-year cycle;
  - c) upon the date of termination of the office and, where applicable, of the employment relationship, such remuneration has already been accrued in full by the person concerned (with overall accrual being understood as the successful completion by the person concerned of the entire three-year cycle and the satisfaction of all the requirements provided for its accrual) and, on the date of expected payment of such remuneration (i.e. after the date of approval of the financial statements relating to the last year of the three-year cycle), the office and, where applicable, the employment relationship of the person concerned have ceased and/or in the notice period, the person concerned shall be entitled to the payment of such remuneration, with the application of all the additional terms, conditions and constraints provided for this type of remuneration pursuant to the regulations applicable from time to time, without any acceleration and, therefore, with possible payment after the date of approval of the financial statements relating to the last year of the three-year cycle.

If, at the time of occurrence of the events from I. to IV. referred to in paragraph 7.01 - Severance Indemnity, the person entitled to the Severance indemnity has received the payment of LTI advances, these will remain acquired and the person concerned will not have to reconstitute them to the Company.

## 8 Remuneration of the Board of Statutory Auditors

### 8.01 Composition of the Board of Statutory Auditors

The Board of Auditors of Hera Spa, appointed by the Shareholders' Meeting of 27 April 2023, is composed of Myriam Amato, President, Marianna Girolomini and Antonio Gaiani, regular auditors, Susanna Giuriatti and Stefano Gnocchi, substitute auditors.

From the date of appointment to that of this report, there have been no changes in the composition of the body.

### 8.02 Remuneration allocated to the Board of Statutory Auditors

The Shareholders' Meeting of 27 April 2023, following their appointment, established that the compensation of the auditors was determined for each financial year as a lump sum at 280 thousand euro, of which 120 thousand euro for the Chairman and 80 thousand euro for each regular member, in addition to the reimbursement of incurred and supported expenditures and legal expenses.

OFFICE	COMPENSATION 2021	COMPENSATION 2022	COMPENSATION 2023	COMPENSATION 2024
Chairman	120,000 euro	120,000 euro	120,000 euro	120,000 euro
Regular Auditors	80,000 euro	80,000 euro	80,000 euro	80,000 euro
Substitute Auditors	----	----	----	----

It is believed that, in accordance with the provisions of the current Corporate Governance Code in art. 5 - Recommendation 30, the remuneration of the auditors should be adequate to the competence, professionalism and commitment required by the importance of the role covered, as well as to the dimensional and sectoral characteristics of the Company and its situation.

## SECTION II – COMPENSATION PAID IN 2024

### Introduction

“Section II” of this report provides a representation of the items that make up the remuneration of the members of the administrative and control bodies, with the aim of highlighting the consistency with the general policy described in “Section I”. Pursuant to the provisions of art. 123-ter of the Financial Services Act, as amended by Legislative Decree. 49/2019, the Assembly is called to deliberate on this “Section II”.

With reference to the directors' remuneration policies, it should be noted that, with regard to the positions held by the directors (with the exception of the Executive Chairman, Chief Executive Officer and Vice Chairman) within the Group companies, in the Remuneration Committee, in the Control and Risk Committee, in the Ethics and Sustainability Committee, as well as in the Executive Committee, the directors involved are recognized a total compensation of 20 thousand euro gross per year, to be added to the compensation approved by the Shareholders' Meeting equal to 40 thousand euro.

### Part 1

## 9 Description of the compensation paid to directors

The following section contains for each professional figure the values of the individual components of the remuneration pertaining to the 2024 financial year or paid or to be paid for results achieved in the same financial year.

The following table shows the results of the 2024 financial year useful for determining the short-term variable component of the remuneration and welfare plan of the Executive Directors, as reported in the 2024 financial statement file.

KPI	RESULT ACHIEVED
Hera Group Ebitda (mln euro)	1,587.6
Net result (million euro)	535.9
Net debt (million euro)	3,963.7
Ebitda CSV (million euro)	822.3*

\*Compared to the value certified by external auditors, equal to 857 million, for the purposes of calculating the results achieved, the value of 822.3 was used, which allows for a homogeneous comparison with respect to the variables considered when defining the target. In particular, in calculating the Ebitda CSV for the 2024 financial statement, the contribution of the sale of renewable energy in the corporate segment was also considered, which in the previous financial statements, and consequently in the revised 2024 budget, had not been included in the accounting criteria as it was quantitatively insignificant.

### 9.01 Executive Chairman

Cristian Fabbri's gross fixed annual remuneration for the 2024 financial year was equal to 380,000 euro until 29 April 2024, and was increased to 400,000 euro starting from 30 April 2024.

With reference to the short-term monetary bonus for 2024 (to be paid in 2025), an amount of 224,000 euro gross was recorded, following the achievement of an overall performance index of 112%.

The following table shows the calculation scheme for the 2024 short-term variable:

SHORT-TERM VARIABLE CALCULATION SCHEME FOR THE EXECUTIVE CHAIRMAN – CRISTIAN FABBRI	
Gross Annual Salary	400,000 euro
Short-term variable at 100% achievement of objectives (%)	50%
Theoretical short-term variable upon achieving 100% of the targets (euro)	200,000 euro



**CALCULATING THE ACHIEVEMENT OF COMPANY TARGETS 2024**

WEIGHT [A]	KPI	TARGET	RESULT ACHIEVED	RESULT VS. TARGET	WEIGHTING CLASS [B]	WEIGHTING [A]X[B]
20%	Hera Group Ebitda (mln euro)	>= 1,470.8	1,587.6	Exceeded	A+	23.0%
20%	Net result (million euro)	>= 451.5	535.9	Exceeded	A+	23.0%
20%	Net debt (million euro)	<= 4,265	3,963.7	Exceeded	A+	23.0%
20%	CSV Ebitda (million euro)	>= 809.0	822.3	Achieved	A	20.0%
20%	Residential ICS	>= 73	74	Exceeded	A+	23.0%
<b>OVERALL RESULT</b>						112.0%
<b>SHORT-TERM MONETARY BONUS 2024 (EURO) TO BE PAID IN 2025</b>						224,000 euro

With reference to the welfare program for 2024 (to be paid in 2025), he also acquired the right to an additional bonus of 9,600 euro to be spent on the services included in the existing company welfare program, following the achievement of an overall performance index of 80%.

The following table shows the calculation scheme for the 2024 welfare plan:

**WELFARE PLAN CALCULATION SCHEME FOR THE EXECUTIVE CHAIRMAN – CRISTIAN FABBRI**

Gross Annual Salary	400,000 euro
Theoretical Social Incentive Plan upon reaching 100% of the targets (%)	3.0%
Theoretical Social Incentive Plan upon reaching 100% of the targets (euro)	12,000 euro

**CALCULATING THE ACHIEVEMENT OF COMPANY TARGETS 2024**

WEIGHT [A]	KPI	TARGET CLASS A+	RESULT ACHIEVED	RESULT VS. TARGET	WEIGHTING CLASS [B]	WEIGHTING [A]X[B]
20%	Hera Group Ebitda (mln euro)	>= 1,500.2	1,587.6	Achieved	A+ 100%	20.0%
20%	Net result (million euro)	>= 465.0	535.9	Achieved	A+ 100%	20.0%
20%	Net debt (million euro)	<= 4,137	39637	Achieved	A+ 100%	20.0%
20%	Ebitda CSV (million euro)	>= 841.4	822.3	Not Achieved	A 0%	0.0%
20%	Residential ICS	>= 74	74	Achieved	A+ 100%	20.0%
<b>OVERALL RESULT</b>						80.0%
<b>WELFARE PLAN VALUE 2024 (EURO) TO BE PAID IN 2025</b>						9,600 euro

**9.02 Chief Executive Officer**

Mr Orazio Iacono's gross fixed annual remuneration for the 2024 financial year was equal to 380,000 euro gross until 29 April 2024, and was increased to 400,000 euro gross starting from 30 April 2024.

With reference to the short-term monetary bonus for 2024 (to be paid in 2025), an amount of 224,000 euro gross was recorded, following the achievement of an overall performance index of 112%.

The following table shows the calculation scheme for the 2024 short-term variable:

**SHORT-TERM VARIABLE CALCULATION SCHEME FOR CEO ORAZIO IACONO**

Gross Annual Salary	400,000 euro
Short-term variable at 100% achievement of objectives (%)	50.0%
Theoretical short-term variable upon reaching 100% of the objectives (euro)	200,000 euro



## CALCULATION OF THE ACHIEVEMENT OF COMPANY TARGETS 2024

ASSESSMENT OF THE ACHIEVEMENT OF COMPANY TARGETS 2024							
WEIGHT [A]		KPI	TARGET	RESULT ACHIEVED	RESULT VS. TARGET	WEIGHTING CLASS [B]	WEIGHTING [A]X[B]
20%	Hera Group Ebitda (mln euro)	>= 1,470.8	1,587.6	Exceeded	A+	115%	23.0%
20%	Net result (million euro)	>= 451.5	535.9	Exceeded	A+	115%	23.0%
20%	Net debt (million euro)	<= 4,265	3,963.7	Exceeded	A+	115%	23.0%
20%	CSV Ebitda (million euro)	>= 809.0	822.3	Achieved	A	100%	20.0%
20%	Residential ICS	>= 73	74	Exceeded	A+	115%	23.0%
OVERALL RESULT							112.0%
SHORT-TERM MONETARY BONUS 2024 (EURO) TO BE PAID IN 2025							224,000 euro

With reference to the welfare program for 2024 (to be paid in 2025), he also acquired the right to an additional bonus of 9,600 to be spent on the services included in the existing company welfare program, following the achievement of an overall performance index of 80%.

The following table shows the calculation scheme for the 2024 welfare plan:

## WELFARE PLAN CALCULATION SCHEME FOR CEO ORAZIO IACONO

Gross Annual Salary	400,000 euro
Theoretical Welfare Plan upon reaching 100% of the objectives (%)	3.0%
Theoretical Welfare Plan upon reaching 100% of the objectives (euro)	12,000 euro

## CALCULATING THE ACHIEVEMENT OF COMPANY TARGETS 2024

PRESENTING THE ACHIEVEMENT OF COMPANY TARGETS 2024							
WEIGHT [A]	KPI	TARGET CLASS A+	RESULT ACHIEVED	RESULT VS. TARGET	WEIGHTING CLASS [B]		WEIGHTING [A]X[B]
20%	Hera Group Ebitda (mln euro)	>= 1,500.2	1,587.6	Achieved	A+	100%	20.0%
20%	Net result (million euro)	>= 465.0	535.9	Achieved	A+	100%	20.0%
20%	Net debt (million euro)	<= 4,137	3,963.7	Achieved	A+	100%	20.0%
20%	Ebitda CSV (million euro)	>= 841.4	822.3	Not Achieved	A	0%	0.0%
20%	Residential ICS	>= 74	74	Achieved	A+	100%	20.0%
OVERALL RESULT							80.0%
WELFARE PLAN VALUE 2023 (EURO) TO BE PAID IN 2024							9,600 euro

## 9.03 Vice Chairman

Gabriele Giacobazzi – position held until March 3, 2024

Mr. Gabriele Giacobazzi, for the office of Vice Chairman, was paid, in the 2024 financial year, until the date of termination of his office which occurred on March 3, 2024, a total compensation of €14,852.15, proportional, for the period of permanence in office, to the gross annual fixed salary of €85,000 approved by the administrative body on May 24, 2023.

Tommaso Rotella – position held since 14 May 2024

Mr. Tommaso Rotella was appointed director of Hera Spa by the Shareholders' Meeting of 30 April 2024, replacing Mr. Gabriele Giacobazzi. Subsequently, the Board of Directors of 14 May 2024 assigned him the position of Vice Chairman, confirming him, effective 1 May 2024, the compensation previously approved by the Board of Directors of 24 May 2023, equal to 85,000 euro gross per year, for the position of Vice President.

In consideration of the above, Mr. Tommaso Rotella, for the position of Vice President, was paid a total compensation of €56,666.67 in the 2024 financial year.

#### 9.04 Non-executive directors

In the 2024 financial year, for the office of non-executive directors of the Company, Messrs. Fabio Bacchilega, Gianni Bessi, Enrico Di Stasi, Grazia Ghermandi, Alessandro Melcarne, Milvia Mingozi, Marina Monassi, Monica Mondardini, Francesco Perrini, Paola Gina Maria Schwizer, Bruno Tani and Alice Vatta, received the fixed compensation for the office of directors and an additional compensation for participation in the committees or participation in the boards of companies of the Group, as provided for by the remuneration policy.

#### 9.05 Statutory auditors

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

#### 9.06 Remuneration received in Group companies

The compensation attributed to Executive Directors, directors and managers for the positions held within the bodies of the Group companies and/or Committees, are paid entirely to Hera Spa. The total amount paid to the Parent Company for the year 2024 is equal to 680,773.49 euro.

The cost of the Board of Directors of Hera Spa in the year 2024, in accordance with the resolutions of the competent bodies of the Company, is equal to 897,523.10 euro, net of the compensation of 680,773.49 euro (for a total gross amount of 1,578,296.59 euro) collected by Hera for the participation of directors/managers in the corporate bodies of the subsidiaries.

#### 9.07 Comparative information

Comparative data for the 2023 and 2024 financial years are provided below, relating to the annual variations of:

- total remuneration of each of the subjects for whom the information is provided by name;
- Company Results;
- average gross annual remuneration, based on full-time employees, of employees other than those whose remuneration is represented by name.

The data relating to the deferred variable remuneration for management retention represent the theoretical annual portion assuming that 100% of the objectives are achieved at the end of the three-year period covered by the plan. In this sense, the theoretical amount of competence for 2023 has also been updated in light of the increase in gross annual remuneration from 380,000 euro gross to 400,000 euro gross which took place as of 30 April 2024.

##### EXECUTIVE CHAIRMAN

REMUNERATION ELEMENT	FEES DUE 2023	FEES DUE 2024
Gross annual remuneration (values consistent with the effective date of the appointment - 27 April 2023)	256,500	395,089
Short-term variable remuneration (values consistent with the effective date of the appointment - 27 April 2023)	141,867	224,000
Deferred medium-long term variable remuneration (theoretical annual value upon achievement of 100% of objectives)	160,000	160,000
Welfare Plan (values consistent with the effective date of the appointment - 27 April 2023)	6,080	9,600
<b>TOTAL</b>	<b>564,447</b>	<b>788,689</b>

data expressed in units of euro

##### CEO

REMUNERATION ELEMENT	FEES DUE 2023	FEES DUE 2024
Gross annual remuneration	256,500	395,089
Short-term variable remuneration	141,867	224,000
Deferred medium-long term variable remuneration	160,000	160,000
Welfare Plan	6,080	9,600
<b>TOTAL</b>	<b>564,447</b>	<b>788,689</b>

data expressed in units of euro

## Non-executive directors

	Compensation 2021	Compensation 2022	Compensation 2023	Compensation 2024
Vice Chairman - Tommaso Rotella *	-	-	-	59
Bacchilega Fabio	61	61	61	61
Bessi Gianni	-	-	41	61
Di Stasi Enrico	-	-	16	61
Ghermandi Grazia	-	-	42	62
Melcarne Alessandro	60	60	60	60
Mingozzi Milvia	-	-	41	62
Monassi Marina	-	-	41	61
Mondardini Monica	60	60	60	60
Perrini Francesco	-	-	41	61
Schwizer Paola Gina Maria	61	61	60	61
Tanya Bruno	63	63	63	62
Vatta Alice	60	60	60	60

data expressed in thousands of euro

\* appointed Director by the shareholders' meeting on 30 April 2024 and, subsequently, Vice Chairman in the Board of Directors meeting of 14 May 2024.

## Non-executive directors whose office ended during the 2024 financial year

	COMPENSATIO N 2020	COMPENSATIO N 2021	COMPENSATIO N 2022	COMPENSATIO N 2023	COMPENSATIO N 2024
Vice Chairman - Giacobazzi Gabriele *	68	102	102	103	19

\* Vice Chairman Gabriele Giacobazzi whose office terminated on March 3, 2024.

## Average gross annual remuneration of full-time Hera Group employees

	COMPENSATION 2021	COMPENSATION 2022	COMPENSATION 2023	COMPENSATION 2024
Average employee remuneration	40.5	41	41	41

data expressed in thousands of euro

## Company Results

The following table shows the trend of the Group's main results considered most relevant for the purposes of evaluating the management performance.

	2021*	2022*	2023*	2024	% CHANGE 2021/2022	% CHANGE 2022/2023	% CHANGE 2023/2024
Revenues	10,555.30	20,082.00	14,897.30	12,889.7	90.30%	-25.80%	(159)%
Ebitda	1,219.40	1,295.00	1,494.70	1,587.6	6.20%	15.40%	6.2%
Operating profit	607.3	627.9	741.0	829.9	3.40%	18.00%	120%
Net profit after minorities	330.3	322.2	375.2	446.7	-2.50%	16.40%	28.3%
Net financial debt	3,261.30	4,249.80	3,827.70	3,963.7	30.30%	-9.90%	3.6%
Financial leverage (Net Debt/Ebitda)	2.67x	3.28x	2.56x	2.50x			

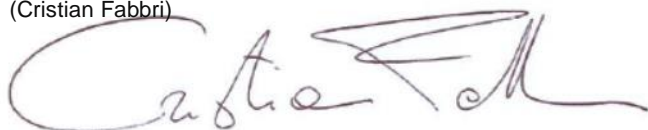
data expressed in millions of euro

\* management values which include the adjustment relating to the valuation of the methane gas storage facility as indicated in paragraph 1.04 of the 2023 Consolidated and Separate Financial Statements file.

Bologna, 26 March, 2025

**The Executive Chairman of the Board of Directors**

(Cristian Fabbri)



## Part 2

**TABLE 1: Compensation paid to members of the administrative and supervisory bodies**

### Administrative body

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION BONUSES AND OTHER INCENTIVES	NON-MONETARY BENEFITS PROFIT SHARING	OTHER REMUNERATION	TOTAL	FAIR VALUE OF EQUITY REMUNERATION	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMENT
Cristian Fabbri	Executive Chairman	01 Jan 24 31 Dec 24	Approval of Financial Statements at 31 Dec 25								
(I) Compensations in the company that draws up the financial statements				395,089		384,000	28,660	2,136	809,885		
(II) Compensations from subsidiaries and affiliates											
(III) Total				395,089		384,000	28,660	2,136	809,885		

Note

Includes 1,183 euro relating to holidays not taken

Of which 224,000 euro relating to the short-term variable component accruing in 2024 and 160,000 euro relating to the deferred variable for management retention assuming the achievement of 100% of the objectives at the end of the three-year period in 2025.

Of which 9,600 euro relating to the 2024 Welfare Plan; 19,060 euro relating to the car, insurance and social security benefit relating to 2024

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON- MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	FAIR VALUE OF EQUITY REMUNERATION	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMENT
						BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
Orazio Iacono	CEO	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that draws up the financial statements				395,089		384,000		28,619	1,868	809,576		
(II) Compensations from subsidiaries and affiliates												
(III) Total				395,089		384,000		28,619	1,868	809,576		

Note

Includes 1,183 euro  
relating to holidays  
not taken.

Of which  
224,000 euro  
relating to the  
short-term  
variable  
component  
accruing in 2024;  
and 160,000  
euro relating to  
the deferred  
variable for  
management  
retention  
assuming the  
achievement of  
100% of the  
three-year end-  
of-period  
objectives in  
2025, assuming  
the achievement

Of which  
9,600 euro  
relating to the  
2024 Welfare  
Plan; 19,019  
euro relating  
to the car,  
insurance and  
social security  
benefit  
relating to  
2024

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	FAIR VALUE OF EQUITY REMUNERATION	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMENT
						BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
Thomas Rotella	Vice Chairman	14 May 24 31 Dec 24	Approval of Financial Statements as at 31 Dec-25									
(I) Compensations in the company that draws up the financial statements				56,667				2,144		58,811		
(II) Compensations from subsidiaries and affiliates												
(III) Total				56,667				2,144		58,811		

Note: Mr. Tommaso Rotella Attorney at Law was appointed director of Hera Spa by the Shareholders' Meeting of 30-Apr-24. The Board of Directors, on 14-May-24, assigned him the role of Vice Chairman

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATIO N	REMUNERATIO N FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATIO N	TOTA L	FAIR VALUE OF EQUITY REMUNERATIO N	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMEN T
						BONUSES AND OTHER INCENTIVE S	PROFIT SHARIN G					
Fabio Bacchilega	Administrator	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that draws up the financial statements				40,000	20,000			991		60,991		
(II) Compensations from subsidiaries and affiliates												
(III) Total				40,000	20,000			991		60,991		

Note

(I) as a member of the Remuneration Committee and (II) for the position held in Group companies



NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATIO N	REMUNERATIO N FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATIO N	TOTAL	FAIR VALUE OF EQUITY REMUNERATIO N	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMEN T
						BONUSES AND OTHER INCENTIVE S	PROFIT SHARIN G					
Gianni Bessi	Administrator	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that draws up the financial statements				40,000				796		40,796		
(II) Compensations from subsidiaries and affiliates				20,000						20,000		
(III) Total				60,000				796		60,769		

Note

(II) for offices held in the Group's companies

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATIO N	REMUNERATIO N FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATIO N	TOTAL	FAIR VALUE OF EQUITY REMUNERATIO N	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMEN T
						BONUSES AND OTHER INCENTIVE S	PROFIT SHARIN G					
Enrico Di Stasi	Director	01 Jan 24 31 Dec 24	Next Shareholders' Meeting									
(I) Compensations in the company that draws up the financial statements				40,000	20,000			417		60,417		
(II) Compensations from subsidiaries and affiliates												
(III) Total				40,000	20,000			417		60,417		

Note

(I) as a member of the Control and Risk Committee and (II) for the position held in Group companies

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	FAIR VALUE OF EQUITY REMUNERATION	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMENT
						BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
Grazia Ghermandi	Director	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that prepares the financial statements				40,000				2,140		42,140		
(II) Compensations from subsidiaries and affiliates				20,000						20,000		
(III) Total				60,000				2,140		62,140		

Note

(II) for offices held in  
the Group's  
companies

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	FAIR VALUE OF EQUITY REMUNERATION	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMENT
						BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
Alessandro Melcarne	Director	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that prepares the financial statements				40,000	20,000			323		60,323		
(II) Compensations from subsidiaries and affiliates												
(III) Total				40,000	20,000			323		60,323		

Note

(I) as a member of the Control and Risk Committee and (II) for the position held in Group companies

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATIO N	REMUNERATIO N FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATIO N	TOTA L	FAIR VALUE OF EQUITY REMUNERATIO N	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMEN T
						BONUSES AND OTHER INCENTIVE S	PROFIT SHARIN G					
Milvia Mingozzi	Director	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that prepares the financial statements				40,000				1,851		41,851		
(II) Compensations from subsidiaries and affiliates				20,000						20,000		
(III) Total				60,000				1,851		61,851		

Note

(II) for offices held in  
the Group's  
companies

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATIO N	REMUNERATIO N FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATIO N	TOTAL	FAIR VALUE OF EQUITY REMUNERATIO N	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMEN T
						BONUSES AND OTHER INCENTIVE S	PROFIT SHARIN G					
Marina Monassi	Director	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that prepares the financial statements				40,000	20,000			1,467		61,467		
(II) Compensations from subsidiaries and affiliates												
(III) Total				40,000	20,000			1,467		61,467		

Note

(I) as a member of the Executive Committee and (II) for positions held in Group companies

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATIO N	REMUNERATIO N FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATIO N	TOTAL	FAIR VALUE OF EQUITY REMUNERATIO N	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMEN T
						BONUSES AND OTHER INCENTIVE S	PROFIT SHARIN G					
Monica Mondardini	Director	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec-25									
(I) Compensations in the company that prepares the financial statements				40,000	20,000			247		60,247		
(II) Compensations from subsidiaries and affiliates												
(III) Total				40,000	20,000			247		60,247		

Note

(I) as a member of the Remuneration Committee and (II) for the position held in Group companies

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	FAIR VALUE OF EQUITY REMUNERATION	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMENT
						BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
Francesco Perrini	Director	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec-25									
(I) Compensations in the company that prepares the financial statements				40,000	20,000			863		60,853		
(II) Compensations from subsidiaries and affiliates												
(III) Total				40,000	20,000			863		60,853		

Note

(I) as a member of the Ethics and Sustainability Committee and (II) for the position held in Group companies



NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATIO N	REMUNERATIO N FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATIO N	TOTAL	FAIR VALUE OF EQUITY REMUNERATIO N	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMEN T
						BONUSES AND OTHER INCENTIVE S	PROFIT SHARIN G					
Paola Gina Maria Schwizer	Director	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that prepares the financial statements				40,000	20,000			923		60,923		
(II) Compensations from subsidiaries and affiliates												
(III) Total				40,000	20,000			923		60,923		

Note

(I) as a member of the Control and Risk Committee and (II) for the position held in Group companies

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATIO N	REMUNERATIO N FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATIO N	TOTAL	FAIR VALUE OF EQUITY REMUNERATIO N	SEVERANCE PAY AT END OF OFFICE OR TERMINATION OF EMPLOYMEN T
						BONUSES AND OTHER INCENTIVE S	PROFIT SHARIN G					
Bruno Tani	Director	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that prepares the financial statements				40,000				2,223		42,223		
(II) Compensations from subsidiaries and affiliates				20,000						20,000		
(III) Total				60,000				2,223		62,223		

Note

(II) for offices held in  
the Group's  
companies

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATIO N	REMUNERATIO N FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATIO N	TOTA L	FAIR VALUE OF EQUITY REMUNERATIO N	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMEN T
						BONUSES AND OTHER INCENTIVE S	PROFIT SHARIN G					
Alice Vatta	Director	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that prepares the financial statements				40,000	20,000			477		60,477		
(II) Compensations from subsidiaries and affiliates												
(III) Total				40,000	20,000			477		60,477		

Note

(I) as Chairman of the Ethics and Sustainability Committee, and member of the Remuneration Committee

**Directors whose office terminated during the 2024 financial year**

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON- MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	FAIR VALUE OF EQUITY REMUNERATION	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMENT
						BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
Gabriele Giacobazzi	Vice Chairman	01 Jan 24 03 Mar 24	Ended on 03 Mar 24									
(I) Compensations in the company that prepares the financial statements				14,852				3,745		18,597		
(II) Compensations from subsidiaries and affiliates												
(III) Total				14,852				3,745		18,597		

Note

Relating to  
the car benefit  
and related  
insurance  
expenses  
2024

## Supervisory body

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATIO N	REMUNERATIO N FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATIO N	TOTAL	FAIR VALUE OF EQUITY REMUNERATIO N	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMEN T
						BONUSES AND OTHER INCENTIVE S	PROFIT SHARIN G					
Myriam Amato	Chairman of the Board of Auditors	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that prepares the financial statements				120,000				499		120,499		
(II) Compensations from subsidiaries and affiliates				128,766						128,766		
(III) Total				248,766				499		249,265		

Note

NAME AND SURNAME	OFFICE	PERIOD FOR WHICH THE OFFICE WAS HELD	EXPIRATION OF THE OFFICE	FIXED COMPENSATIO N	COMPENSATIO N FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE COMPENSATION		NON-MONETARY BENEFITS	OTHER COMPENSATION S	TOTAL	FAIR VALUE OF EQUITY COMPENSATIO N	COMPENSATIO N OF END OF OFFICE OR THE TERMINATION OF THE EMPLOYMENT RELATIONSHIP
						BONUSES AND OTHER INCENTIVE S	PROFIT SHARIN G					
Marianna Girolomini	Regular auditor	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that prepares the financial statements				80,000				617		80,617		
(II) Compensations from subsidiaries and affiliates				89,120						89,120		
(III) Total				169,120				617		169,737		

Note

NAME, SURNAME	OFFICE	TERM FOR WHICH THE OFFICE WAS HELD	EXPIRY OF OFFICE	FIXED REMUNERATION	REMUNERATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE REMUNERATION		NON-MONETARY BENEFITS	OTHER REMUNERATION	TOTAL	FAIR VALUE OF EQUITY REMUNERATION	SEVERANCE PAY AT END OF OFFICE OR OF TERMINATION OF EMPLOYMENT
						BONUSES AND OTHER INCENTIVES	PROFIT SHARING					
Antonio Gaiani	Regular auditor	01 Jan 24 31 Dec 24	Approval of Financial Statements as at 31 Dec 25									
(I) Compensations in the company that prepares the financial statements				80,000				667		80,667		
(II) Compensations from subsidiaries and affiliates				90,870						90,870		
(III) Total				<b>170,870</b>				<b>667</b>		<b>171,537</b>		

Note

**Table 3B: Monetary incentive plans for members of the administrative body**

NAME, SURNAME	OFFICE	PLAN	YEAR BONUS				BONUS FROM PREVIOUS YEARS		OTHER BONUSES
Cristian Fabbri	Executive Chairman		( A )	( B )	( C )	( A )	( B )	( C )	
			Payable/paid	Deferred	Deferral period	No longer available	Payable/paid	Still deferred	
Compensation in the company that draws up the balance sheet		Balanced scorecard system (date of relevant resolution)	224,000						
		Deferred variable for management retention (date of relevant resolution)		160,000	2023-2025				
		Plan C (date of relevant resolution)							
Compensation from subsidiaries and affiliates		Plan A (date of relevant resolution)							
		Plan B (date of relevant resolution)							
Total			224,000	160,000					

NAME, SURNAME	OFFICE	PLAN	YEAR BONUS				BONUS FROM PREVIOUS YEARS			OTHER BONUSES
Orazio Iacono	CEO		( A )	( B )	( C )	( A )	( B )	( C )		
			Payable/paid	Deferred	Deferral period	No longer available	Payable/paid	Still deferred		
Compensation in the company that draws up the balance sheet		Balanced scorecard system (date of relevant resolution)	224,000							
		Deferred variable for management retention (date of relevant resolution)		160,000	2023-2025					
		Plan C (date of relevant resolution)								
Compensation from subsidiaries and affiliates		Plan A (date of relevant resolution)								
		Plan B (date of relevant resolution)								
Total			224,000	160,000						



## Shareholdings of members of the administrative and supervisory bodies

NAME, SURNAME	OFFICES IN HERA SPA	INVESTEES COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS FINANCIAL YEAR OR ON THE DATE OF APPOINTMENT	NO. OF SHARES PURCHASED	NO. OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE CURRENT FINANCIAL YEAR OR AT THE TERMINATION DATE
Cristian Fabbri	Executive Chairman	Hera Spa	20,000	-	-	20,000
Orazio Iacono	CEO	Hera Spa	40,000	-	-	40,000
Tommaso Rotella (1)	Vice Chairman	Hera Spa	-	-	-	-
Fabio Bacchilega	Director	Hera Spa	-	-	-	-
Gianni Bessi	Director	Hera Spa	-	-	-	-
Enrico Di Stasi	Director	Hera Spa	-	-	-	-
Grazia Ghermandi	Director	Hera Spa	-	-	-	-
Alessandro Melcarne	Director	Hera Spa	-	-	-	-
Milvia Mingozi	Director	Hera Spa	-	-	-	-
Marina Monassi	Director	Hera Spa	-	-	-	-
Monica Mondardini	Director	Hera Spa	-	-	-	-
Francesco Perrini	Director	Hera Spa	-	-	-	-
Paola Gina Maria Schwizer	Director	Hera Spa	-	-	-	-
Bruno Tani	Director	Hera Spa	200,000	-	-	200,000
Alice Vatta	Director	Hera Spa	-	-	-	-
Myriam Amato	Chairman of the Board of Auditors	Hera Spa	-	-	-	-
Antonio Gaiani	Member of the Board of Auditors	Hera Spa	-	-	-	-
Marianna Girolomini	Member of the Board of Auditors	Hera Spa	-	-	-	-
----- directors / auditors whose office terminated during the 2024 financial year-----						
Gabriele Giacobazzi (until 03-Mar-2024)	Vice Chairman	Hera Spa	-	-	-	-

(1) appointed as director by the Shareholders' Meeting of 30 April 2024, and subsequently, Vice Chairman by the Board of Directors of 14 May 2024.

## Proposed resolution

Dear Shareholders,

- “Section I” of the report on the remuneration policy and compensation paid, prepared in compliance with the provisions of art. 5 of the Corporate Governance Code, adopted by Hera Spa with resolution of 11 November 2020, as well as art. 123-ter of the Legislative Decree. 58/1998 (hereinafter Tuf) and art. 84-quater of the Implementation Regulation of the Unified Finance Act adopted by Consob with resolution 11971 of 14 May 1999 (hereinafter the Issuers’ Regulation) and amended by Consob with resolution 21623 of 10 December 2020, describes and illustrates the policy proposed by the Company on remuneration, as well as the procedures used for the adoption and implementation of this policy.

In light of the above, pursuant to art. 123-ter paragraph 3-ter of the Consolidated Law on Finance, the Assembly is called to deliberate on “Section I” of the report, with a binding resolution.

For detailed information on the subject of this resolution, please refer to the report on the remuneration policy and compensation paid, approved by the Board of Directors on 26 March 2025 and made available to the public within the terms of the law.

We therefore invite you, in consideration of what has been illustrated, to adopt the following resolution:

“The Assembly of Hera Spa, in compliance with the current legislation on the matter, resolves to approve “Section I” of the report on the remuneration policy and compensation paid by the Hera Group”.

- “Section II” of the report on the remuneration policy and compensation paid, prepared in compliance with the provisions of art. 5 of the Corporate Governance Code, adopted by Hera Spa with resolution of 11 November 2020, as well as art. 123-ter of the Legislative Decree. 58/1998 (hereinafter Tuf) and art. 84-quater of the Implementation Regulation of the Unified Finance Act adopted by Consob with resolution 11971 of 14 May 1999 (hereinafter the Issuers’ Regulation) and amended by Consob with resolution 21623 of 10 December 2020, describes and illustrates in a clear and comprehensible manner the items that make up the compensation paid to the members of the administrative and control bodies.

In light of the above, pursuant to art. 123-ter paragraph 6 of the Unified Finance Act, the Assembly is called to deliberate on “Section II” of the report, with a non-binding resolution.

For detailed information on the subject of this resolution, please refer to the report on the remuneration policy and compensation paid, approved by the Board of Directors on 26 March 2025 and made available to the public within the terms of the law.

We therefore invite you, in consideration of what has been illustrated, to adopt the following resolution:

“The Assembly of Hera Spa, in compliance with current legislation, having taken note of the items that make up the remuneration of the members of the administrative and control bodies: resolves to express a favorable opinion on “Section II” of the report on the remuneration policy and the compensation paid by the Hera Group”

Document approved by Hera Spa's Board of Directors on 26 March 2025,  
approved by the Shareholders Meeting on 30 April 2025.

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**Hera Spa**

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