

HERA S.P.A.

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

Share capital Euro 1,489,538,745.00

Registered with the Bologna Register of Companies

Registration number 04245520376

DIRECTORS' REPORT

ITEM 2 ON THE AGENDA

ORDINARY PART

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

called in a single call on 28 April 2022 at 10 a.m.

Dear Shareholders,

The Board of Directors of HERA S.p.A., has asked you to attend the single call of this Ordinary and Extraordinary Shareholders' Meeting at the Company's Head Office - *Viale Berti Pichat 2/4, Bologna* - on 28 April 2022 at 10.00am to discuss and decide on the items on the following:

agenda

Extraordinary Part of the Shareholders' Meeting

1. Amendment of article 17 of the Articles of Association in compliance with the new provisions contained in the Corporate Governance Code: related and consequent resolutions.

Ordinary Part of the Shareholders' Meeting

1. Financial statements as at 31 December 2021 of Hera S.p.A.: related and consequent resolutions. Presentation of the consolidated financial statements as at 31 December 2021 Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors.

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

2. Proposed allocation of profit for the period: related and consequent resolutions.
3. Report on the remuneration policy and fees paid: resolutions relating to Section I – Remuneration policy.
4. Report on the remuneration policy and fees paid: resolutions relating to Section II – Fees paid.
5. Conferral of the mandate for the legal audit of the accounts for the financial years 2024 – 2032: related and consequent resolutions.
6. Renewal of the authorisation to purchase treasury shares and disposal procedure thereof: related and consequent resolutions.

Second item on the agenda of the Ordinary Part of the Shareholders' Meeting.

Proposed allocation of profit for the year: related and consequent resolutions.

Dear Shareholders,

The Financial statements of Hera S.p.A. as at 31 December 2021 submitted for your approval, closed with a positive result of EUR 223,760,995.71 and therefore, if you agree, you are asked to approve the following resolution:

“The Shareholders’ Meeting of HERA S.p.A.:

- having examined the financial statements as at 31 December 2021, which closed with a profit of EUR 223,760,995.71;*
- having acknowledged the management report of the Board of Directors;*
- having acknowledged the report of the Board of Statutory Auditors;*
- having acknowledged the report of the Independent Auditors;*

hereby resolves

a. to allocate the profit for the year 1 January 2021 – 31 December 2021, of EUR 223,760,995.71 as follows:

- an amount of EUR 11,188,049.79 to the legal reserve; and*
- to distribute a total dividend of a gross amount of EUR 0.12 for each outstanding ordinary share (excluding treasury shares in the company's portfolio) on the day of payment of that dividend; and*
- an amount of EUR 33,828,296.52 to the extraordinary reserve.*

Therefore, the total payable dividend amounts to EUR 178,744,649.40 corresponding to EUR 0.12 for each outstanding ordinary share (therefore excluding treasury shares in the company's portfolio);

- b. to pay the dividend from 22 June 2022 with coupon no. 20 detachment on 20 June 2022, a dividend that will be paid to the shares on account on 21 June 2022;*
- c. to authorise the Board of Directors, and on its behalf, the Chairman, to ascertain in due course, in relation to the final number of outstanding shares, the precise amount of the distributed profit and, thus, the precise amount of the extraordinary reserve.”*

Bologna, 23 March 2022

The Executive Chairman of the Board of Directors

(Mr. Tomaso Tommasi di Vignano)